How do you decide what’s relevant when preparing financial statements?

Making information in financial statements more relevant and less cluttered is one of the IASB’s key focus areas. Its guidance includes a four-step process to help you make materiality judgements.

**Identify**
information that has the potential to be material considering requirements in IFRS and primary users’ needs

**Assess** whether the information identified is material considering quantitative and qualitative factors

**Organise** the information in a way that communicates the information clearly and concisely to primary users

**Review** the financial statements from a wide perspective and in aggregate

Stakeholders need information that is relevant and specific to a company’s circumstances.