

Introduction

Financial statements are the cognitive instrument par excellence to understand a company's profitability, asset trends and financial performance.

This volume is divided into three sections, it respectively addresses the following themes: reading and interpretation of financial statements, evaluation of its most significant items and construction of consolidated financial statements.

The first part, "Financial Statement analysis – Main objectives and tools", edited by Alessandro Cortesi, illustrates the techniques commonly used to analyse and interpret financial statements: reformulations of statement of financial position and statement of comprehensive income and ratios. For this purpose, it mainly considers the point of view of the internal analyst, who may also have at his disposal accounting data collected in the trial balance; the considerations made in this section and the tools presented are also applicable to the external analyst who relies solely on the financial statements.

The second part, "IFRS –Accounting issues", edited by Umberto Scacabarozzi and Stefano Castoldi, presents the accounting issues of the most significant financial statements captions in accordance with International Financial Reporting Standards (IFRS) applicable on the date of publication of this manual. In particular, the content of this part refers to IFRS that are mandatorily applicable for annual reporting periods beginning on 1 January 2015. It does not include new standards or amendments to standards with an effective date after 1 January 2015.

Consolidated financial statements are the subject of the third part, "Group Accounting", edited by Patrizia Tettamanzi, presenting the most reliable theories and, in the light of the latter, the fundamental problems that gradually may arise: from the so-called preliminary operations to those that characterize the consolidation process itself.

The book is intended for all those - students or professionals - who intend to deal in a comprehensive and systematic way with the issues of con-

struction and analysis of financial statements, starting with the basics and then continuing in more depth. The content of each chapter is enriched by examples, with the aim of facilitating discussion and understanding.

This manual is the result of collaboration between the above mentioned editors, lecturers of Financial Accounting and Reporting courses at the Cattaneo – LIUC University of Castellanza and a group of professionals from the Italian companies of the KPMG network, some of whom are active in the academic world as lecturers. They deserve a heartfelt thank you for their contribution. Thanks also to Mauro Borghini and Francesco Caligiore, for reviewing the chapters on the IFRS.

The editors