SECTOR DIVERSIFICATION OF STATEMENTS OF COMPREHENSIVE INCOME ILLUSTRATED WITH THE EXAMPLE OF ENTITIES LISTED ON THE WARSAW STOCK EXCHANGE

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Abstract

Research background: The rules of preparing the statement of comprehensive income are included in the International Accounting Standard 1 “Presentation of Financial Statements” which gives a lot of freedom in the way information is presented in these documents. So the following question was asked whether the way of presenting information regarding results between enterprises representing the same industries manifests similarities or differences?

Purpose: The main aim of this paper is to verify whether despite the high level of flexibility given by IAS 1 in presenting information, the statements of comprehensive income prepared by entities belonging to the same sectors, manifest significant similarities.

Research methodology: The research covered the financial statements prepared for the financial years 2015–2017 and by almost 200 entities listed on the Warsaw Stock Exchange and representing 14 different industries. The method of descriptive statistics was used in the quantitative analysis.

Results: The results obtained allowed to show many similarities in statements drawn up by entities representing the same sectors concerning among others: the forms of drawing up this document, the variant of a statement, its internal construction and presentation of other comprehensive income.

Novelty: Research on sector differentiation of information in the statement of comprehensive income on a group of entities listed on the Warsaw Stock Exchange has not been conducted yet.

Keywords: financial statement, other comprehensive income, comprehensive income, IAS/IFRS, accounting regulations, sector

JEL classification: M41, M48
Introduction

The statement of comprehensive income was introduced in the solutions of the International Financial Reporting Standards in 2007 extending the current traditional profit and loss account to include the concept of comprehensive income. The rules of preparing a new statement are included in the International Accounting Standard 1 “Presentation of Financial Statements”. In 2019 it is ten years since the new solutions were introduced to the practice of preparing financial statements, which encourages conducting further research in this area.

The aim of the analysis is to present synthetically the rules of presenting information in a statement of comprehensive income in the light of new solutions included in the International Accounting Standards (IAS). The paper constitutes background for discussing the results of the conducted research concerning sector diversification of a way of presenting such information in the statements of entities listed on the Warsaw Stock Exchange (GPW). The following research hypothesis was formulated before the analysis was initiated: Despite a high level of flexibility in the way information is presented, the statements of comprehensive income prepared by entities belonging to the same sectors manifest significant similarities.

In order to achieve the objective, an analysis of accessible source literature including the solutions included in the International Accounting Standards was conducted (a source analysis method); also, the information included in the statements of the comprehensive income of 181 entities of 14 sector indices listed on the Warsaw Stock Exchange was analysed. The method of descriptive statistics was used in the quantitative analysis.

This paper consists of two parts. The first part presents the most important aspects and problems relating to the preparation of a statement of comprehensive income in line with IASs; the second part includes the results of the conducted research aiming at verifying the formulated research hypothesis.

1. The Statement of Comprehensive Income in the Light of the Solutions of the International Financial Reporting Standards

The concept of comprehensive income (CI) consists in the inclusion of events recognised before in equity in a financial statement of an entity. It is specified in its definition included in IAS 1, according to which comprehensive income is the change in equity during a period resulting from transactions and other events, other than those changes resulting from transactions with owners in their capacity as owners (IAS 1, paragraph 7). In such a situation, a statement of comprehensive income includes the current financial statement of an entity established in
a traditional profit and loss account extended to include other comprehensive income (OCI), so far included in equity.

The main reason for introducing the concept of comprehensive income into financial reporting was the growing importance of the concept of value management and of understanding profit as increasing prosperity (wealth) of owners (Szychta, 2011, p. 82; Gierusz, 2014, p. 190), and also the growing demand of users for information prospective in character (Gierusz, 2014, p. 190; Emerling, 2014, p. 44). The aim of the introduced changes was to “remove” revenues and expenses from equity that is categories independent of the owners of equity (Walińska, Jurewicz, 2011, p. 27).

When discussing a statement of comprehensive income, it should be emphasised that international standards (IAS 1) leave plenty of room in the scope of the form of presenting the information concerning the total result and internal structure of this document. The freedom concerns among others (Bek-Gaik, 2013a, p. 27):

- the form of the presentation of the statement of the total financial result,
- the method of presenting expenses,
- the method of recognising income tax,
- the obligation to present other comprehensive income.

Preparing a statement of comprehensive income, entities are entitled to choose one of two forms of presentation, that is one document including the current financial result together with other comprehensive income, or two separate statements, that is a profit and loss account and a statement of comprehensive income, which then starts with a net profit. The freedom of preparing this statement consists also in the fact that in accordance with paragraph 99 of IAS 1, an entity has the right to choose the method of presenting information about the costs of basic activity, that is according to type (a comparative option) or according to the cost centres and cost objects (a multiple-step variant). Moreover, regardless of the choice of the form of presentation, IAS 1 does not impose one constant structure, but it gives (in paragraph 82) only minimum information which must be presented.

As far as information concerning other comprehensive income is concerned, IAS 1 gives many possibilities of choice as regards the method of its presentation, i.e. in net amounts, that is net of related tax effects, or in gross amounts, that is before related tax effects with one amount shown for the aggregate amount of income tax relating to OCI (IAS 1, paragraph 91). However, since July 2012 the standard has imposed the obligation to present information concerning OCI with a division into two separate categories, i.e. information which is not later reclassified into profit or loss and information reclassified into profit or loss after certain conditions are met.
The aim of introducing such a solution was to increase the transparency of information about the total result and to facilitate its comparison (Strojek-Filus, 2015, p. 135), also to approximate the solutions in IASs to the American solutions included in the US GAAP (Holda, 2013, p. 50).

It is also worth noticing that the freedom in the shaping of this element of a financial statement is not only limited to the choice of the method and the rules of presenting information concerning current operating profit or other comprehensive income, but it also concerns the used nomenclature. It applies to both the name of a statement itself and of its individual elements. Such freedom in naming individual items, as numerous authors point out, can lead to conceptual chaos and hinder the comparability of information included in a financial statement between individual entities (Buk, 2013, p. 13; Sajnóg, 2014, p. 482).

Due to the great freedom, the method of presenting information in a statement of comprehensive income has become one of the three research areas into this element of a financial statement, which focus on the one hand on evaluating the methods of presenting information in this statement, on the other hand on their usefulness in the process of making economic decisions and in the evaluation of an entity’s accomplishments.

In Poland empirical research in respect of comprehensive income has been conducted by many researchers including: A. Szychta, E. Walińska, B. Bek-Gaik, E. Winnicka, A. Sajnóg, J. Gad, P. Prewysz-Kwinto. The conclusions they have formulated are similar and they indicate first of all a considerable difficulty in comparing information about other comprehensive income between companies due to the considerable freedom of its presentation in a financial statement. It refers to both the mentioned before nomenclature and the form and structure of the document itself (e.g. Szychta, 2012, p. 80; Bek-Gaik, 2013a, p. 33; Sajnóg, 2014, p. 482, Prewysz-Kwinto, 2018, p. 134). The lack of transparency and comparability of presented information can cause problems in making the right economic decisions by stakeholders (Winnicka, 2013, p. 186).

The formulated conclusions encouraged conducting another research this time focusing on sector diversification of the method of presenting information in this element of a financial statement. It was to answer the question whether the way of presenting information regarding results between enterprises representing the same industries manifests similarities or differences. In order to answer the question, statements of the comprehensive income of entities listed on the Warsaw Stock Exchange (GPW) representing 14 different sectors were analysed. The received results are presented further in the paper.

1 In addition to the research on the method of presenting information, it distinguishes a group of studies into the influence of adopted solutions within the scope of presentation on the evaluation of an entity’s financial situation and the impact of information concerning CI and OCI on the market price of shares and investors’ decisions (Strojek-Filus, 2015, p. 129).
2. The Research Methodology and Characteristics of the Studied Group

The research covered 197 entities listed on 15th February 2019 on the Warsaw Stock Exchange, which comprises 14 sector indices representing 14 different industries: the financial services industry (banks), the construction industry, the chemical industry, the energy industry, the information technology industry, the pharmaceutical industry, the media industry, the automotive industry, the real estate industry, the clothing industry, the oil and gas industry, the food industry, the telecommunications industry and the mining industry.

The researched group excluded all the entities that did not prepare financial statements in accordance with IAS/IFRSs (applied the provisions of the Polish Accounting Act); it also excluded the entities which did not prepare financial statements in the whole period of research. The number of such entities amounted to 16, as a result of which the researched group consisted of 181 entities. Their characteristics are presented in Table 1.

Table 1. Characteristics of the entities included in the research

| Kind of industry    | Number of entities | Financial Statements | Companies |
|---------------------|--------------------|----------------------|-----------|
|                     |                    | according IAS/IFRS    | consolidated | individual | domestic | foreign |
| Banks               | 14                 | 13                   | 13         | 0          | 11       | 2        |
| Construction        | 38                 | 36                   | 33         | 3          | 35       | 1        |
| Chemical            | 5                  | 4                    | 4          | 0          | 4        | 0        |
| Energy              | 11                 | 10                   | 10         | 0          | 8        | 2        |
| Mining              | 4                  | 4                    | 4          | 0          | 3        | 1        |
| Information technology | 21              | 17                   | 15         | 2          | 16       | 1        |
| Pharmaceutical      | 8                  | 7                    | 5          | 2          | 6        | 1        |
| Media               | 13                 | 13                   | 12         | 1          | 13       | 0        |
| Automotive          | 7                  | 5                    | 5          | 0          | 5        | 0        |
| Real estate         | 28                 | 27                   | 26         | 1          | 25       | 2        |
| Clothing            | 16                 | 15                   | 14         | 1          | 14       | 1        |
| Oil and gas         | 6                  | 6                    | 6          | 0          | 4        | 2        |
| Food                | 22                 | 20                   | 18         | 2          | 13       | 7        |
| Telecommunications  | 4                  | 4                    | 4          | 0          | 4        | 0        |
| Total               | 197                | 181                  | 169        | 12         | 161      | 20       |

Source: own work.

Among all the researched entities, capital groups preparing consolidated statements constituted 93.4%. Individual enterprises preparing only separate statements amounted to 6.6%.
Moreover, 89% of the researched entities represented national entities and 11% foreign entities drawing up statements in the English language and in a foreign currency. The entities from the WIG-construction constituted the biggest group – it included 19.9% of all entities and WIG-real estate – 14.9%. The fewest entities were found in the indices of the chemical, oil and gas, and telecommunications sectors – four in every index.

In the analysis, for the purpose of comparing the results, financial statements (in the case of capital groups consolidated statements, and in the case of individual entities separate statements) for operations in 2015, 2016 and 2017 financial years or a financial year finished in those years if the balance-sheet date was other than 31st December were taken into consideration. The research did not cover 2018, because when it was being conducted, the statements were not fully accessible.

3. The Results of the Conducted Research

The research started with the verification of what form of presenting a statement of comprehensive income the examined groups selected. In accordance with IAS 1, the entities obligated to prepare one having the option to select one statement (a statement of comprehensive income), or two individual ones, i.e. a profit and loss account and a statement of comprehensive income. The obtained results taking into account the type of conducted activity are presented in Table 2. It also includes the kind of variant selected by the entities, i.e. a comparative one (based on nature of expense) or a multiple-step one (based on function of expense).

The results presented in Table 2 show that the percentage of the entities preparing a statement of comprehensive income in the form of one statement was slightly higher (51.9%) than of those which chose the two separate ones (48.1%). It should be emphasised here that the results obtained for a group selected in such a way did not confirm the results of the research conducted earlier in this field, which indicated a much higher participation of statements drawn up in the form of two selected documents. Such results were obtained in Poland by among others: B. Bek-Gaik – two separate statements used by 60% of 31 examined entities (2013b, p. 296), E. Winnicka – 73.6% of 19 entities (2013, pp. 174–175), A. Szychta – 75% of 24 entities (2012, p. 72), J. Gad – 60% in 2012 and 63.3% in 2013 and 2014 respectively of 30 examined entities (2016, p. 122), P. Prewysz-Kwinto – 61.7% of 60 entities in 2015, 2016 and 2017 (2018, p. 127). Such different results obtained may result from the fact that the research covered a bigger group of entities than the earlier research. The obtained results also do not confirm the results of previous international studies conducted, among others, by: R. Cimini – two separate
statements were used by 87% of 600 entities from Germany, France and Italy in 2009 and 2010 (2013, p. 10); T. Cristofaro and B. Falzago – 92.5% of 120 entities listed on the Italian Stock Exchange (2014, p. 30) or I. Jianu, I. Jianu, I. Gusatu – 92% of the 62 entities included in the FTSE 100 index on the London Stock Exchange (2012, p. 184).

Table 2. The form of presentation and the variant of preparing a statement of comprehensive income

| Kind of industry  | Form of presentation | Variant of preparing |  |
|-------------------|----------------------|----------------------|---|
|                   | one statement | two statements | nature of expense | function of expense |
|                   | number | %   | number | %   | number | %   | number | %   |
| Banks             | 0       | 0.0 | 13     | 100.0 | –     | –     | –     | –     |
| Construction      | 14      | 38.9 | 22     | 61.1  | 3     | 8.3   | 33    | 91.7  |
| Chemical          | 2       | 50.0 | 2      | 50.0  | 0     | 0.0   | 4     | 100.0 |
| Energy            | 6       | 60.0 | 4      | 40.0  | 3     | 30.0  | 7     | 70.0  |
| Mining            | 2       | 50.0 | 2      | 50.0  | 1     | 25.0  | 3     | 75.0  |
| Information technology | 12    | 70.6 | 5      | 29.4  | 1     | 5.9   | 16    | 94.1  |
| Pharmaceutical    | 4       | 57.1 | 3      | 42.9  | 2     | 28.6  | 5     | 71.4  |
| Media             | 8       | 61.5 | 5      | 38.5  | 6     | 46.2  | 7     | 53.8  |
| Automotive        | 3       | 60.0 | 2      | 40.0  | 1     | 20.0  | 4     | 80.0  |
| Real estate       | 16      | 59.3 | 11     | 40.7  | 4     | 14.8  | 23    | 85.2  |
| Clothing          | 10      | 66.7 | 5      | 33.3  | 4     | 26.7  | 11    | 73.3  |
| Oil and gas       | 4       | 66.7 | 2      | 33.3  | 3     | 50.0  | 3     | 50.0  |
| Food              | 12      | 60.0 | 8      | 40.0  | 3     | 15.0  | 17    | 85.0  |
| Telecommunications | 1       | 25.0 | 3      | 75.0  | 3     | 75.0  | 1     | 25.0  |
| Total             | 94      | 51.9 | 87     | 48.1  | 34    | 18.8  | 134   | 74.0  |

Source: own work.

It should also be added that during the analysed period, as few as two entities (which represents 1.1% of all) decided to change the form of the prepared statement, where in one case it was changed from one document to two separate ones, in the other case from two documents to one. Such a small percentage of changes may indicate that the examined entities had already developed solutions with the best fitting their needs.

When analysing the obtained results in a more detailed way, in accordance with the hypothesis formulated in the introduction, i.e. with regard to what sector an entity belonged to, it was possible to indicate the industries which selected a given form of statement of comprehensive income more often. The fact that all banks drew up this document in the form of two selected statements should also be underlined. Moreover, this way of presentation was selected more
often by the entities representing the telecommunications industry – 75% (though attention should be drawn to a small representation in this sector – only 4 entities) and by those from the construction industry – 61.1%. The other way, that is an account in the form of one statement, was more often drawn up by the entities belonging to the IT sector (70.6%), clothing and gas and oil sectors (66.7% each) and the media industry (61.5%).

The next stage of the conducted research consisted in analysing the method of presenting information about the costs of activity in an income statement. It started with the verification of the variant of the statement, therefore whether the costs of basic activity were presented according to their type (a comparative option), or according to the cost centres and cost objects (a multiple-step variant). The analysis did not include the financial statements of banks, since they draw up income statements according to distinct rules specific for these entities. Therefore, the analysis covered 168 financial statements, and the obtained results were earlier presented in Table 2.

The presented results show that the multiple-step variant was the prevailing method of preparing a profit and loss account – it was used by a significant 79.8% of the examined entities. The comparative option was chosen by only 20.2% of the examined entities. It is worth adding that in the case of two entities, the analysis of an income statement itself did not lead to an unambiguous evaluation as regards which variant had been chosen, since sales revenues were balanced against one cumulative entry named “operating costs”, which adjusted with other operating revenue gave an operating result immediately. Determining how the costs were presented required consulting the notes.

When analysing the obtained results considering the type of conducted activity in a more detailed way, it should be noted that only the telecommunications sector chose the comparative option more frequently (75%), and in the oil and gas industry the usage of the comparative option and the multiple-step variant was equal (50% in each case). In all the other sectors, the presentation of costs according to the cost centres and cost objects dominated. This variant was selected by all the entities of the chemical industry, 94% of those from the IT sector and 92% from the construction industry.

Further in the research, analysis covered the internal structure of an income statement on the grounds of the fact that IFRS 1 leaves freedom of choice when it comes to the way of presenting information concerning the total result. The evaluation assessed the number of financial results. The research was conducted separately for statements in the multiple-step variant and comparative option.
Among all the entities preparing a profit and loss account in the multiple-step variant, as many as three quarters (74.6%) presented there four levels of a financial result out of five possible ones. The profit on sales was the most often omitted, the administration costs and selling costs were joined with other operating costs and revenue, and after the gross profit on sales, and the operating result was presented immediately. In a profit and loss account of 18.7% of the examined entities, all the possible levels of the financial result were distinguished (with the profit on sales additionally), and in the case of 6% only three levels. In the last group, both the gross profit on sales and the profit on sales were omitted the most often, and the operating result constituted the first level of the result.

Taking the type of conducted activity into account, it is worth noting that in the case of some sectors distinguished in the research, the internal construction of a profit and loss account was identical for all its entities. This applies to all financial statements of the chemical, mining, oil and gas, and pharmaceutical industries and also to 88.2% of those from the food industry. In the case of the statements of entities belonging to the IT and automotive industries, a more significant differentiation was observed. One half of them distinguished four levels of the financial result and the other half five of them. On the grounds of their construction, the profit and loss accounts of the real estate industry were the most varied. 60.9% of the entities distinguished four levels of the result, 21.7% five, 13% only three and in the case of 4.3% only two levels were presented. They were gross and net results.

The analysis of entities preparing a profit and loss account according to the comparative option indicated that half of them distinguished all four typical levels of a financial result. 41.8% decided to present three and similarly to the entities drawing up an income statement in the multiple-step variant, the profit on sales was the one that was most often excluded. The other 8.8% presented only two levels of the financial result, i.e. gross and net result.

Although the analysis of all the income statements drawn up according to the comparative option manifested significant differences in its internal construction, the analysis according to the type of conducted activity indicated significant similarities.

All the entities of the IT and food industries used the identical construction of an income statement with distinguishing all four levels of the financial result. Three identical levels of the financial result were distinguished by all the entities of the energy, automotive and pharmaceutical industries. A conclusion can be drawn that significant similarities in the construction of an income statement depending on the conducted activity can be observed.
The oil and gas industry should be particularly emphasized here, as in its case all the companies using the multiple-step variant manifested an identical internal structure of this document, whereas in the case of those using the comparative option, the structure was varied.

The following part of the conducted research is devoted to presenting information concerning other comprehensive income. It started with specifying the type of result (positive or negative) achieved by the examined entities in this part of the statement. The obtained results, with regard to the type of conducted activity, are presented in Table 3.

Table 3. The participation of entities with a positive, negative or zero value of OCI (%)

| Kind of industry         | 2017 positive | 2017 negative | 2017 zero | 2016 positive | 2016 negative | 2016 zero | 2015 positive | 2015 negative | 2015 zero |
|--------------------------|---------------|---------------|-----------|---------------|---------------|-----------|---------------|---------------|-----------|
| Banks                    | 69.2          | 30.8          | 0.0       | 0.0           | 100.0         | 0.0       | 30.8          | 69.2          | 0.0       |
| Construction             | 27.8          | 52.8          | 19.4      | 52.8          | 22.2          | 25.0      | 25.0          | 50.0          | 25.0      |
| Chemical                 | 75.0          | 25.0          | 0.0       | 0.0           | 100.0         | 0.0       | 25.0          | 75.0          | 0.0       |
| Energy                   | 40.0          | 60.0          | 0.0       | 80.0          | 20.0          | 0.0       | 60.0          | 40.0          | 0.0       |
| Mining                   | 75.0          | 25.0          | 0.0       | 100.0         | 0.0           | 0.0       | 25.0          | 75.0          | 0.0       |
| Information technology   | 17.6          | 29.4          | 52.9      | 35.3          | 11.8          | 52.9      | 17.6          | 23.5          | 58.8      |
| Pharmaceutical           | 14.3          | 42.9          | 42.9      | 42.9          | 14.3          | 42.9      | 14.3          | 42.9          | 28.6      |
| Media                    | 15.4          | 23.1          | 61.5      | 23.1          | 15.4          | 61.5      | 23.1          | 15.4          | 61.5      |
| Automotive               | 0.0           | 80.0          | 20.0      | 20.0          | 40.0          | 40.0      | 0.0           | 60.0          | 40.0      |
| Real estate              | 29.6          | 33.3          | 37.0      | 40.7          | 25.9          | 33.3      | 29.6          | 37.0          | 33.3      |
| Clothing                 | 6.7           | 66.7          | 26.7      | 53.3          | 20.0          | 26.7      | 33.3          | 33.3          | 33.3      |
| Oil and gas              | 33.3          | 50.0          | 16.7      | 50.0          | 50.0          | 0.0       | 33.3          | 50.0          | 16.7      |
| Food                     | 35.0          | 40.0          | 25.0      | 40.0          | 35.0          | 25.0      | 25.0          | 45.0          | 30.0      |
| Telecommunications       | 25.0          | 75.0          | 0.0       | 75.0          | 0.0           | 25.0      | 75.0          | 0.0           | 25.0      |
| Total                    | 29.8          | 43.6          | 26.5      | 42.5          | 29.8          | 27.6      | 28.2          | 42.0          | 29.3      |

Source: own work.

The presented results manifest a considerable variability of the result of other comprehensive income in the whole examined period looking at the whole examined group of 181 enterprises and conducting an individual analysis in terms of the type of the conducted activity. In 2017 and 2015 the negative OCI was observed in almost twice as many cases as positive OCI (about 43% and about 29% respectively). In 2016 the situation was reversed and profit from OCI was presented more often (42.5%) than loss (29.8%). However, such a differentiation was not observed in the case of current net profit, because the majority of entities presented net profit in the examined period. It was 82.2% in 2015, 81.7% in 2016 and 82.9% in 2017, respectively.
It should be emphasised here that in the whole examined period, the participation of the entities without other comprehensive income was relatively constant. In 2015 those entities constituted 29.4% of the whole group, in 2016 – 27.6% and in 2017 – 26.0%.

The conducted analysis enabled a differentiation of the industries in which other comprehensive income was achieved more rarely. The lack of other comprehensive income in the whole examined period was observed in the case of 61.5% of the examined entities conducting media activity. In the case of the IT sector, it was 52.9% in 2016 and 2017 respectively and 58.8% in 2015. On the other hand, in the whole examined period, other comprehensive income was achieved by all banks and entities from the energy sector, chemical industry and mining industry. Moreover, the conducted analysis did not allow identifying the sector that in the whole examined period indicated a negative value or positive value of other comprehensive income more often. However, the reversal of results between 2016 and 2017 is visible, i.e. the industries which in 2016 indicated a positive value of OCI more often in 2017 indicated a negative value more often and vice versa. Such a situation was observed in 12 out of 14 selected sectors except for the automotive and mining sectors.

Due to the fact that the result from other comprehensive income indicated by the examined entities was in the examined period of a different value, the OCI to earnings after taxes (EAT) ratio was calculated, but without considering its profit/loss character. Such an analysis was done to demonstrate to what extent other comprehensive income could influence the net income and simultaneously, whether it was of a significant importance with regard to creating a financial result. An average value of OCI to EAT ratio for the whole examined group amounted to 19.0% in 2015 with a standard deviation (s) of 48.0%. In 2016 it decreased to 14.9% (s = 33.2%), and in 2017 it increased again to the level of 20.9% (s = 56.2%). The calculated values confirm that other comprehensive income constituted in the examined period an insignificant part of the net profit, but a high standard deviation indicated considerable differences in its values between individual entities. It confirms the conclusions drawn from the research conducted by A. Szychta (2012, p. 73).

Analysing the mean value and the standard deviation calculated separately for individual examined sectors, it was noted that values lower than the value of the whole examined group (both the mean and the standard deviation) were demonstrated in the whole examined period by: the chemical, clothing, telecommunications and real estate industries. However, banks manifested a higher mean OCI to EAT ratio.

Further analysis of a statement of comprehensive income focused on specifying how entries recognised as other comprehensive income were presented, thereby verifying whether
the examined entities met the obligation to present that information dividing it into two groups, i.e. other comprehensive income reclassified into profit and loss and those not reclassified. The analysis showed that among all the entities with other comprehensive income, such a division was used by 80.5%. The remaining 19.5% did not use such a division, and OCI was presented together. It means that a significant one fifth of the examined entities did not meet the obligation included in IAS 1.

The conducted analysis enabled specifying which sectors among the ones covered by the research did not meet the obligation to present two groups of OCI the most often. They were the pharmaceutical industry, of which as many as 75% of the entities did not present OCI. It was followed by the real estate sector (41.2%) and the IT sector (37.5%). On the other hand, all the chemical sector entities presented OCI in accordance with IAS 1.

When analysing other comprehensive income presented in statements, it should be underlined that those that can be reclassified into profit and loss appeared more often – i.e. in the case of 53.0% of all the financial statements covered by the research and 72.2% of those in which OCI was presented and divided. Those not reclassified appeared in 33.7% of all statements and in 45.9% of those presenting OCI, respectively.

Analysing the method of presenting OCI in terms of the conducted activity, OCI reclassified into profit and loss appeared in all banks and entities in the chemical, oil and gas and telecommunications sectors and in 80% of the mining industry. It was presented the least often by the entities conducting pharmaceutical activities. As far as other comprehensive income not reclassified into profit and loss is concerned, they appeared the most often in chemical enterprises (100%), banks (84.6%), the oil and gas industry (80%) and in mining and telecommunications – 75% in each.

It is worth adding that only in the case of one industry all the entities simultaneously presented the OCI that are both reclassified and not reclassified – it was the chemical sector. However, the only sector in which in none of the entities OCI reclassified and not reclassified was presented was the media sector.

Conclusions

The conducted analysis of the comprehensive income statements of entities listed on the WSE and representing 14 different sectors enabled drawing numerous important conclusions. As far as the structure of the document itself is concerned, the participation of the entities drawing it up in the form of one statement was insignificantly bigger that those choosing two
statements. Thereby, it did not confirm the results of the earlier research, which indicated a more frequent preparing of a statement of comprehensive income in two separate statements. This could result from the fact that the research covered a significantly bigger group of entities than the earlier research did.

It should also be underlined that although the examined entities exercise the freedom given by IAS 1 in the scope of the method of presenting information and the structure of a statement itself, it is possible to see numerous similarities in statements drawn up by entities representing the same sectors. It concerns among others the following:

1. The forms of drawing up this document – the presentation in the form of two statements was more often chosen by the entities belonging to the telecommunications and construction industries, and in the form of one by those from the IT, clothing, oil and gas and media sectors.
2. The variant of a statement – the multiple-step variant was selected by all the entities from the chemical industry and by over 90% of those from the IT and construction sectors; the comparative option dominated in the telecommunications industry.
3. Its internal construction – all the entities from the chemical, mining oil and gas and pharmaceutical sectors differentiated the same levels of a financial result in the multiple-step variant; in the comparative option such a situation was observed in the case of statements of entities from the energy, IT, automotive, food and pharmaceutical industries.

As far as the conclusions drawn from the presentation of other comprehensive income are concerned, it must be stated at the beginning that its participation in the net profit is not very high. In the examined period, it varied from 15 to 21%. However, its diversification between the examined entities is considerable, which is reflected in the high value of the standard deviation. Moreover, the value of the result with OCI (positive, negative) is subject to considerable changes in individual years contrary to the current net profit – the participation of the entities which in the whole examined period generated net profits was around 82%. Despite a significant variation of OCI between the examined entities, also in this area numerous similarities between statements drawn up by the entities representing the same sectors can be seen, which confirms the hypothesis formulated in the introduction. The similarities concern among others the following:

1. The presence of OCI – in the whole examined period, OCI was present in all banks and the entities from the energy industry, the chemical and mining sectors; on the other hand, the IT and media sectors manifested OCI the least frequently.
2. The level of OCI to EAT ratio – a mean value and the standard deviation of the OCI to EAT ratio were lower in relation to the value for the whole group in the chemical sector, clothing sector and telecommunications sector; banks manifested higher values of this ratio.

3. The compliance of the methods of presentation of OCI with IFRS 1 – all the entities from the chemical industry presented OCI with a division into two groups required by IFRS; however, this obligation was not met by the majority of entities involved in the production of medicines.

The abovementioned conclusions enable stating that the research hypothesis formulated in the introduction was proven correct. They encourage further research on the similarities and differences in the way information is presented in financial statements prepared in accordance with IAS/IFRS, including the use of more advanced statistical methods.

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