



Jihočeská univerzita
v Českých Budějovicích
University of South Bohemia
in České Budějovice

FINANCIAL STATEMENTS

- Study Text



FINANCIAL STATEMENTS: STATEMENT OF CHANGES IN EQUITY

Jihočeská univerzita v Českých Budějovicích
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EVROPSKÁ UNIE
Evropské strukturální a investiční fondy
Operační program Výzkum, vývoj a vzdělávání



MINISTERSTVO ŠKOLSTVÍ,
MLÁDEŽE A TĚLOVÝCHOVY



1 DEFINITIONS

Equity represents the owners' interests in the company. An alternative way of defining it is that it represents what is left in the business when it ceases to trade, all the assets are sold off and all the liabilities are paid. This can then be distributed to the equity holders (ordinary shareholders).

Equity comprises share capital, share premium, and reserves. The main reserves are the revaluation surplus and retained earnings.

Revaluation surplus

This is created to recognise the surplus arising when tangible non-current assets (normally land and buildings) are revalued. The gain is not realised so cannot be included in the retained earnings of the entity. However, the gain would still form part of the value repaid to the equity holders if the business were sold off at that point in time.

Retained earnings

This represents the sum total of all the profits and losses made by the business since its incorporation and that have not yet been paid to shareholders as a dividend.

As these elements are particularly relevant to shareholders (it helps them value their wealth or 'share of the pie') it is important to ensure the shareholders understand any movements in these balances. For this reason a statement of changes in equity is required. It summarises the opening and closing positions on all these accounts and identifies the reason for the movements in between the two periods.

An entity shall present a statement of changes in equity showing on the face of the statement:

- (a) profit or loss for the period;
- (b) each item of income and expense for the period that, as required by other Standards or by Interpretations, is recognised directly in equity, and the total of these items;
- (c) total income and expense for the period (calculated as the sum of (a) and (b)), showing separately the total amounts attributable to equity holders of the parent and to minority interest; and
- (d) for each component of equity, the effects of changes in accounting policies and corrections of errors recognised in accordance with IAS 8.

A statement of changes in equity that comprises only these items shall be titled a statement of recognised income and expense.

An entity shall also present, either on the face of the statement of changes in equity or in the notes:

- (a) the amounts of transactions with equity holders acting in their capacity as equity holders, showing separately distributions to equity holders;
- (b) the balance of retained earnings (ie accumulated profit or loss) at the beginning of the period and at the balance sheet date, and the changes during the period; and
- (c) a reconciliation between the carrying amount of each class of contributed equity and each reserve at the beginning and the end of the period, separately disclosing each change.

Changes in an entity's equity between two balance sheet dates reflect the increase or decrease in its net assets during the period. Except for changes resulting from transactions with equity holders acting in their capacity as equity holders (such as equity contributions, reacquisitions of the entity's own equity instruments and dividends) and transaction costs directly related to such transactions, the overall change in equity during a period represents the total amount of income



and expenses, including gains and losses, generated by the entity's activities during that period (whether those items of income and expenses are recognised in profit or loss or directly as changes in equity).

2 FORMAT

		Opening balance	Increase	Decrease	Closing balance
A.	Authorized capital registered in the Commercial	0	0	0	0
B.	Authorized capital unregistered in the Commercial Register	0	0	0	0
C.	Total A +/- B	0	XX	XX	XX
D.	Own shares and ownership interests	0	0	0	0
*	Total A +/- B +/- D	XX	XX	XX	0
E.	Share premium	0	0	0	0
F.	Reserve funds	0	0	0	0
G.	Other funds from earnings	0	0	0	0
H.	Capital reserve	0	0	0	0
I.	Differences from revaluation not included in trading loss/profit	0	0	0	0
J.	Profit of previous reporting periods	0	0	0	0
K.	Loss of previous reporting periods	0	0	0	0
L.	Profit/Loss for the reporting period after taxation	XX	0	XX	0
*	Total	0	0	0	0

Minimum compulsory information under Regulation 500/2002 Coll.

STATEMENT OF CHANGES IN EQUITY
as at December 31st, 2017
(in thousands of Czech Crowns)

Commercial name or other name of an accounting unit

Registered office or address of an accounting unit