VÚB BANKA

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The Language Experts

Module 5: Financial documents
Unit 1: Financial documents – the basics

LISTENING 1 TAPESCRIPT

Eric Sharp:
In general, most of the boring work is done by purchase ledger clerks and sales ledger clerks. These are usually bookkeepers who are not qualified to a high level. The information they produce – which is basically a summary of transactions – can then be interpreted by management accountants. It can be then used by senior accountants at financial controller and director level, both for making decisions on the future of the business, and for advising other parts of the business on how to proceed.
The company's accountants also do an internal audit. The aim of this tends to be to ensure that management have sufficient internal control over what's going on. The aim of the external audit is to ensure that published financial statements give a true and fair view of the company's profit, and of its assets and liabilities.

LISTENING 2 TAPESCRIPT

Eric Sharp:
There are three or four different statements that companies include in their Annual Reports, which shareholders can legally expect to see. The key documents are the profit and loss account, the balance sheet and a funds flow statements of some kind. In the USA, and under the International Financial Reporting Standards, the profit and loss account is called an income statement. This document is fairly self-explanatory: it's income less expenditure. The balance sheet is a statement showing what the company has, and what it owes at the end of the year, while the funds flow statement attempts to show whether the company is generating or consuming cash. The tax authorities require more detail than is given in these documents; taxable profit is not the same as accounting profit, so they will expect to see reconciliations between the two.

adapted from English for the Financial Sector (I. Mackenzie; Cambridge University Press;2008)