

Conventional Sharia And Financial Statements

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Abstract: *In every company or financial institution, both conventional or Sharia-based institutions must have financial reports. The financial statements are a picture of the situation about the assets, liabilities, equity, income and expenses that occur in a company or financial institution itself. The financial statements are prepared Periodically, the things that are reported will then be Analyzed so that it can know the conditions and the current position of the company. The financial statements presented by the company will be very important for management and company owners. In addition, the financial statements of a company or financial institution Also will be very useful for the government, creditors, investors, and suppliers. Then, is there a difference between conventional and Islamic financial financial statements statements.*

Keywords: financial statements, assets, equity, income, differences.

BACKGROUND (INTRODUCTION)

In the case of financial statements, it is a duty of each company to create and the company's financial reporting in a given period. The reported financial statements will then be analyzed so that can know the condition and position of the current company. Then, the financial statements will also determine what steps will the company now and in the future, by looking at the various issues both its weaknesses and strengths¹. The financial statements will be drawn up periodically, at least annually. In its application, the financial statements

¹Dr. Kasmir, *Financial Statement Analysis* (Jakarta: PT. RajaGrafindo Persada, 2012), p. 7

(Financial Statement) is not made at random, but it must be made and prepared in accordance with the applicable rules or standards².

The financial statements describe the financial posts periodically acquired company, which consists of:

1. The income statement (Statement Of Income)
2. Statements of changes in Equity (Statement Of Changes In Equity)
3. Statement of financial position (Statement Of Financial Position) / Balance (Balance Sheet)
4. Cash flow statement (Statement Of Cash Flows)
5. Notes to the financial statements (Notes Of Financial Statement)³

For financial statement presentation of a company in particular is the responsibility of the financial manager. This is consistent with the function of financial managers, namely:

1. Plan
2. search
3. Utilizing the company's funds, and
4. Maximizing the value of the company

In general, the Islamic financial statements do not differ much with conventional financial statements as described above, except that the Islamic financial report there are several additional reports such as reports of other funding sources that will be included in the financial statements ZIS that will be used as a social fund⁴.

LITERATURE REVIEW

In simple terms, the financial report is a report that shows the company's financial condition at this time or in a given period. Purpose of financial statements showing the condition of the company is the company's financial situation on a specific date (for balance) and a certain period (for the income statement)⁵, Not

²Dr. Kasmir, *Financial Statement Analysis* (Jakarta: PT. RajaGrafindo Persada, 2012), p. 6

³E. Sinambela et.al, *Preparing Financial Statements Easy: Trading and Manufacturing Approach IAS-IFRS* (Terrain: Prime Publishing, 2015), p. 23

⁴Suwiknyo Dwi, *Islamic Financial Statement Analysis* (Yogyakarta: Learning Library, 2010) p. 42

⁵Dr. Kasmir, *Financial Statement Analysis* (Jakarta: PT. RajaGrafindo Persada, 2012) p. 7

only on the company's financial statements only, in the system of financial reporting at the Bank is also not much different from the other company's financial statements⁶.

A. Conventional financial statements

Conventional financial statements consisting of balance sheet, income statement, statement of changes in equity (capital), cash flow statement, and notes to the financial statements

(PAPI: 2001)⁷. The purpose of conventional financial statements according to M. Sadeli in 2002, among others, that:

1. A provider of reliable information related to wealth and liabilities owned by a company or business entity
2. Provide information that can usefully be put reliably related to the change of the company's assets as a result of business activities conducted
3. Contain and present information related to the origin of the property wealth change did not come from the company's main activities
4. Contain and present reliable information for each pengaksesnya to project the company's ability to gain
5. Provide other information that is relevant to the needs of their owners⁸.

Presentation of financial statements set accounting standards (GAAP) in IAS 1 concerning the presentation of the financial statements.

Information provided by the financial statements include:

1. Financial Position: Describe the various resources owned and controlled by the company and those that exist at any given time.
2. Performance: Describes information about company performance and how effectively and efficiently the company uses its resources and control.

⁶Lapoliwa. N and S. Kuswandi, Daniel, *Banking Accounting: Accounting Transaction Bank in Currency Rupiah* (Jakarta: Indonesian Bankers Institute, 2000) p. 11

⁷Drs. Ismail, *Bank Accounting: Theory and Applications in Rupiah* (Jakarta: Kencana Prenada Media Group, 2010) p. 15

⁸ Aris Wahyu, *Conventional Financial Statements*, Centrausaha.com

3. Changes in financial position: Describes information about the company's financial position changes related to how management take advantage of cash and cash equivalents and the company's ability to menghailkan resources.
4. Notes to the financial statements (CaLK): A component in the financial statements that make various remarks, additional information and a variety of other things that are relevant, but not presented financial statements⁹.

Income statement:

The income statement (Income Statement) is a report that describes the successful operation of the size of the company over a period of time specified. Information

about earnings can also be used to memeperkirakan the company's ability to generate profits in the future (predict or interpret (Earnings Power)¹⁰. The income statement (income statement, statements of operations) reported that the main performance of the company for accounting, revenue minus expenditure in a particular accounting period. The information presented is presented in the company's income statement includes:

1. The types of income earned in a period
2. The rupiah amount of each type of income
3. The total number of revenue
4. These types of costs or expenses in the period
5. Total rupiah each costs or expenses incurred
6. The total costs incurred
7. Results of operations generated by reducing the amount of revenues and expenses. This difference is called the profit or loss.

Statement of changes in equity (capital):

Statement of changes in capital describes the amount of capital owned by the company today. Then, the data also suggest changes and causes for changes in

⁹Andrey Hasiholan, *Financial Accounting Basis: Per SFAS Based June 2012* (Jakarta: Partners Media Discourse, 2013) p. 77-78

¹⁰Hery, *Intermediate Financial Accounting* (Jakarta: Earth Literacy, 2009) p. 100

capital. The information provided in the statement of changes in capital covering¹¹:

1. The types and amount of existing capital this saat
2. Total rupiah each type of capital
3. The amount of capital that transformed rupiah
4. The causes of changes in capital
5. Total capital rupiah after the change.

Balance:

The aim is to report the balance of financial position (total assets, liabilities, and shareholders' equity) of an accounting entity at a given point in time. In the balance sheet presented a variety of information relating to existing components dineraca. Full Secarah diasajikan information in the balance sheet include:

1. The types of assets or property (assets) owned
2. Total rupiah each type of asset
3. The types of obligation or debt (liability)
4. Total rupiah each type of liability
5. The types of capital (aquity)
6. Total rupiah each type of capital

Cash flow statement:

The cash flow statement is the information used to determine changes in the financial activities related to cash transactions. The cash flow statement is a report showing revenues and expenditures in the third period that the following activities:

1. Cash flows from operating activities
2. Cash flows from investing activities
3. Cash flows from financing activities¹².

Notes to the Financial Statements:

¹¹Dr. Kasmir, *Financial Statement Analysis* (Jakarta: PT. RajaGrafindo Persada, 2012) p. 8-9

¹²Drs. Ismail, *Bank Accounting: Theory and Applications in Rupiah* (Jakarta: Kencana Prenada Media Group, 2010) p. 23

Notes to the financial statements are related to the financial information that can not be separated from the financial statements, including a statement of commitments and contingencies. Notes to the financial statements will explain all

the items contained in the financial statements, so that the reader can understand all the contents of the financial statements presented by financial institutions¹³.

B. Islamic Financial Statements

AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions), as an organization that develops accounting and auditing for Islamic financial institutions at the world level has issued accounting pronouncements number 1 and number 2 for the purpose of financial accounting and financial accounting concepts for banks and Islamic financial institutions. Meanwhile, the Indonesian accounting standards board (DSAK) develop Sharia SFAS about basic device for preparing and presenting the Islamic financial laoran¹⁴. Interest Islamic financial reports are used to provide information regarding the financial position, performance and changes in financial position of an entity that is useful for a number of sharia great use in making economic decisions. The financial statements can meet the collective needs as users of financial statements, and is used as a form of reporting and accountability of management for the resources entrusted to the parties concerned¹⁵.

Income statement:

The income statement is a measure of the performance of the entity sharia also the basis for other measures such as payments for investment or earnings per share.

Elements directly related to the measurement of profit are:

¹³Drs. Ismail, *Bank Accounting: Theory and Applications in Rupiah* (Jakarta: Kencana Prenada Media Group, 2010) p. 24

¹⁴Sri Nurhayati and wasilah, *Islamic Accounting Issuei 3 DI Indonesia* (Jakarta: Salemba Four, 2014) p. 96

¹⁵Sri Nurhayati and wasilah, *In Indonesian Islamic Accounting Issue 2* (Jakarta: Salemba Four, 2009) p. 93

1. Income is increases in economic benefits during the accounting period in the form of income or assets increase or decrease in liabilities that result in increases in equity that do not come from the contribution of investors.
2. Expenses are decreases in economic benefits during an accounting period in the form of an outflow or depletion of assets or the occurrence of liabilities that result in decreases in equity that do not involve the division of the investment.
3. Rights of third parties in the results is the share of fund owners on gains and losses on investment along with islamic entities in a financial reporting period.
4. Zakat is the amount of zakat to be incurred by the company for the accounting period zakat calculation. Charity aspect appears only in the discussion on the report of zakat funds managed by entities sebgai islamic zakat.

Statement of Changes in Equity:

Changes in an entity's equity sharia describe increased or decreased net assets or wealth during the period in question. An entity shall present a report syariah equity changes sebgai main component of financial statements. Statements of changes in equity should be pointed out things following is¹⁶:

1. Net profit or loss for the period
2. Each item of income and expense, gain or loss which is based on IAS besserta amount are recognized directly in equity.
3. The cumulative effect of change in accounting policy and improvements to the fundamental error as to which set in SFAS related.
4. Capital transactions with owners and distributions to owners
5. The balance of accumulated profit or loss at the beginning and end of the period and its changes

¹⁶Rizal Yahya et.al, *Accounting for Islamic Banking: Theory and Practice of Contemporary* (Jakarta: Salemba Four, 2009) p. 90-91

6. The reconciliation between the carrying amount of each type of share capital, Agis, and reserves at the beginning and end of the period, separately disclosing each change.

Statement of Financial Position (Balance Sheet):

Statement of financial position or balance sheet illustrates the financial impact of transsaksi and other events that were clarified in several major groups according to their economic characteristics. Elements directly related to the measurement of financial position are assets, liabilities, and equity fund temporary syirkah.

1. Assets are resources controlled by an entity sharia as a result from past events and from which future economic benefits expected to be obtained by the entity sharia
2. Debt obligations of sharia entity arising from past events, the settlement is expected to result in an outflow from the entity of resources containing economic benefits sharia.
3. Temporary syirkah Funds are funds received as investments with maturities of individuals / and other parties where sharia entity has the right to manage and invest funds in accordance with the division of the investment return based on the agreement.
4. Equity is the residual interest in the assets of sharia entity after deducting all liabilities and fund temporary syirkah¹⁷.

Reports Zakat Sources and Use of Funds:

Statements of sources and uses of zakah is one of the main components of the financial statements to be presented by the finance sharia entity. Zakat is the compulsory portion of the property issued by the tax payers (muzaki) to be delivered to recipients (mustahiq). The basic elements of sources and uses of zakah including sources of funding, the use of funds for aperiod, as well as and zakat show zakat funds have not been distributed, on a certain date. In particular, this report shows the following matters:

1. Zakat funds derived from compulsory zakat (muzakki), namely: alms from the charity and alms sharia entity from outside entities sharia.

¹⁷Sri Nurhayati and wasilah, *Islamic Accounting DI Indonesia* (Jakarta: Salemba Four, 2013) p. 103

2. The use of zakat through the institution of zakat for: indigent, poor, riqab, ghorim (person in debt), converts, fisabilillah, Ibn sabil (the traveler) and amyl.
3. The rise and decline of zakat
4. The initial balance of zakat
5. Balance at end of zakat¹⁸

Inside there is also a zakat management is planning, organizing, implementing, and monitoring the collection and distribution of zakat and performance is gunaan¹⁹.

The Sources and Uses Benevolent Fund:

Statements of sources and uses of funds virtue show things as follows:

1. Source of funds derived virtue of acceptance are: donation, charity, endowment management results in accordance with applicable legislation, productive virtue refunds, fines and non-halal income.
2. Use of funds for the virtues: charity fund productive, donations, other uses for the public interest, increase or decrease the source of the charity fund, the beginning balance of the funds use of the charity fund and the final balance of funds use of funds virtue.

Acceptance of the charity fund by sharia entity is recognized as the most liquid liabilities and recognized as a reduction in a liability when dispensed. Acceptance of non-kosher is all revenue from activities that are not in accordance with Islamic principles among other things artau current account receipts interest arising from conventional commercial banks. Acceptance of non-kosher generally occur in an emergency situation or condition that is not desired by sharia entity because in principle prohibited by sharia²⁰.

CONCLUSION: CONCLUSION

¹⁸Slamet Wiyono and Taufan Maulamin, *Accounting Understanding Sharia in Indonesia* (Jakarta: Partners Media Discourse, 2013) p. 120

¹⁹Soemitra, Andri. *Banks and Islamic Financial Institutions* (Jakarta: Kencana Pranada Media Group, 2009) p. 412

²⁰Rizal Yahya et.al, *Accounting for Islamic Banking: Theory and Practice of Contemporary* (Jakarta: Salemba Four, 2009) p. 91- 92

The financial report is a picture of the state of the assets, liabilities, equity, income and expenses that occur within a company or a financial institution itself. The financial statements describe the financial posts the company being acquired on a periodic basis, which consists of: Income statement (Statement Of Income), statement of changes in Equity (Statement Of Changes In Equity), statement of financial position (Statement Of Financial Position) / Balance (Balance sheet), the cash flow statement (statement Of cash flows) and notes to the financial statements (notes Of financial statement). And in general the Islamic financial statements do not differ much with conventional financial statements as described above.

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