

Analysis of Proposed Disclosure Requirements in AASB ED 249 *Disclosure Initiative (Proposed amendments to AASB 101)* with a View to Determining Corresponding Tier 2 Disclosure Requirements

Only paragraphs that contain new disclosure requirements included in AASB ED 249, which incorporates IASB ED/2014/1 *Disclosure Initiative (Proposed amendments to AASB 101)*, have been included in this Analysis.

IASB ED/2014/1 proposes clarifications to the existing IAS 1 *Presentation of Financial Statements* as a part of the IASB's ongoing disclosure initiative.

Proposed Disclosure Requirements in ED 249	Disclosure requirements in the <i>IFRS for SMEs</i> Section 4	Analysis
Information to be Presented in the Statement of Financial Position		
<p>54 As a minimum, The statement of financial position shall include line items that present the following amounts:</p> <p>(a) ...</p> <p>...</p> <p><u>These line items shall be disaggregated when such presentation is relevant to an understanding of the entity’s financial position. For example, an entity might conclude that disaggregating ‘property, plant and equipment’, specified in paragraph 54(a), into separate line items in the statement of financial position for ‘property’, ‘plant’ and ‘equipment’ is capable of making a difference in the decisions made by users of financial statements.</u></p>	<p>4.11 An entity shall disclose, either in the statement of financial position or in the notes, the following subclassifications of the line items presented:</p> <p>(a) property, plant and equipment in classifications appropriate to the entity.</p> <p>(b) trade and other receivables showing separately amounts due from related parties, amounts due from other parties, and receivables arising from accrued income not yet billed.</p> <p>(c) inventories, showing separately amounts of inventories:</p> <p>(i) held for sale in the ordinary course of business.</p> <p>(ii) in the process of production for such sale.</p> <p>(iii) in the form of materials or</p>	<p>The additional wording in paragraph 54 is implicit in the requirements of paragraph 4.11 of the <i>IFRS for SMEs</i>.</p> <p>The additional disclosure requirements in paragraph 54 clarify that the line items listed in paragraph 54 should be disaggregated when doing so would aid interpretation of the financial statements (paragraph BC 11(b)).</p> <p>The additional disclosures in paragraph 54 are new requirements in full IFRSs – they were not included in the requirements of full IFRSs at the time the <i>IFRS for SMEs</i> was issued.</p> <p>The disclosure required by paragraph 54 satisfies the information needs of users in regard to disaggregation of amounts presented in the financial statements without significantly increasing the costs to the reporting entity. Based on paragraph 3(a) of the ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles to new disclosure requirements of the <i>IFRS for SMEs</i>, paragraph 54 should be retained in the Tier 2 disclosure requirements.</p>

Proposed Disclosure Requirements in ED 249	Disclosure requirements in the <i>IFRS for SMEs</i> Section 4	Analysis
	<p>supplies to be consumed in the production process or in the rendering of services.</p> <p>(d) trade and other payables, showing separately amounts payable to trade suppliers, payable to related parties, deferred income and accruals.</p> <p>(e) provisions for employee benefits and other provisions.</p> <p>(f) classes of equity, such as paid-in capital, share premium, retained earnings and items of income and expense that, as required by this IFRS, are recognised in other comprehensive income and presented separately in equity.</p>	
<p><u>55A</u> When an entity presents subtotals in accordance with paragraph 55, those subtotals shall:</p> <p>(a) <u>be made up of items recognised and measured in accordance with</u></p>		<p>Paragraph 55A has no equivalent in the <i>IFRS for SMEs</i>. It provides guidance but does not add disclosure requirements. Based on paragraph 7 of the ‘Tier 2 Disclosure Principles’, paragraph 55A should be retained in the Tier 2 disclosure</p>

Proposed Disclosure Requirements in ED 249	Disclosure requirements in the <i>IFRS for SMEs</i> Section 4	Analysis
<p><u>IFRS</u>;</p> <p>(b) <u>be presented and labelled in a manner that makes what constitutes the subtotal understandable; and</u></p> <p>(c) <u>be consistent from period to period.</u></p>		requirements.
Information to be Presented in the Profit or Loss Section or the Statement of Profit or Loss		
<p>82 In addition to items required by other IFRSs, the profit or loss section or the statement of profit or loss shall include line items that present the following amounts for the period:</p> <p>(a) ...</p> <p>...</p> <p><u>These line items shall be disaggregated when such presentation is relevant to an understanding of the entity’s financial performance.</u></p>		<p>The additional disclosure in paragraph 82 has no equivalent in the <i>IFRS for SMEs</i>. It clarifies that the line items listed in paragraph 82 should be disaggregated when doing so would aid interpretation of the financial statements. (BC11(b) and BC12)</p> <p>The additional disclosure in paragraph 82 is a new requirement in full IFRSs – it was not included in the requirements of full IFRSs at the time the <i>IFRS for SMEs</i> was issued.</p> <p>The disclosure required by paragraph 82 satisfies the information needs of users in regard to disaggregation of amounts presented in the financial statements without significantly increasing the costs to the reporting entity. Based on paragraph 3(a) of the ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles to new disclosure requirements of the <i>IFRS for SMEs</i>, paragraph 82 should be retained in the Tier 2 disclosure requirements.</p>

Proposed Disclosure Requirements in ED 249	Disclosure requirements in the <i>IFRS for SMEs</i> Section 4	Analysis
Information to be Presented in the Other Comprehensive Income Section		
<p><u>85A</u> When an entity presents subtotals in accordance with paragraph 85, those subtotals shall:</p> <p>(a) be made up of items recognised and measured in accordance with IFRS;</p> <p>(b) be presented and labelled in a manner that makes what constitutes the subtotal understandable;</p> <p>(c) be consistent from period to period; and</p> <p>(d) not be displayed with more prominence than the subtotals and totals specified in this IFRS.</p>		<p>Paragraph 55A has no equivalent in the <i>IFRS for SMEs</i>. It provides guidance but does not add disclosure requirements. Based on paragraph 7 of the ‘Tier 2 Disclosure Principles’, paragraph 85A should be retained in the Tier 2 disclosure requirements.</p>
<p><u>85B</u> An entity shall reconcile any subtotals presented in accordance with paragraph 85 to the subtotals or totals required by this IFRS by presenting each excluded item in the statement(s) of profit or loss and other comprehensive income.</p>		<p>Paragraph 85B has no equivalent in the <i>IFRS for SMEs</i>. Paragraph 85B requires an entity to reconcile the subtotals presented in accordance with paragraph 85 with those required by IAS 1 paragraph 82.</p> <p>The disclosure required in paragraph 85B is a new requirement in full IFRS – it was not included in the requirements of full IFRSs at the time the <i>IFRS for SMEs</i> was issued.</p> <p>The disclosure required by paragraph 85B satisfies the information needs of users in regard to the disaggregation of amounts presented in the financial statements. However, the cost to entities</p>

Proposed Disclosure Requirements in ED 249	Disclosure requirements in the <i>IFRS for SMEs</i> Section 4	Analysis
		<p>of disclosures required by paragraph 85B would be expected to exceed the benefits to users. Based on paragraph 3(a) of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles to new disclosure requirements of the <i>IFRS for SMEs</i>, paragraph 85B should be excluded from the Tier 2 disclosure requirements</p>