

AASB Standard

AASB 2012-10

December 2012

Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments

**[AASB 1, 5, 7, 8, 10, 11, 12, 13, 101,
102, 108, 112, 118, 119, 127, 128, 132,
133, 134, 137, 1023, 1038, 1039, 1049
& 2011-7 and Interpretation 12]**



Australian Government

**Australian Accounting
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Australian Accounting Standard AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments* is set out in paragraphs 1 – 76. All the paragraphs have equal authority.

PREFACE

Introduction

This Standard makes amendments to the Australian Accounting Standards and Interpretation listed in paragraph 1 of the Standard.

These amendments arise from the following sources:

- (a) the issuance of International Financial Reporting Standard *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance* (Amendments to IFRS 10, IFRS 11 and IFRS 12) by the International Accounting Standards Board (IASB) in June 2012;
- (b) the decision of the AASB to defer the mandatory application of AASB 10 *Consolidated Financial Statements* and related Standards to not-for-profit entities until annual reporting periods beginning on or after 1 January 2014;
- (c) editorial corrections made by the IASB to its Standards and Interpretations (IFRSs); and
- (d) editorial corrections made by the AASB to its pronouncements.

Main Features of this Standard

Main Requirements

The amendments to AASB 10 and related Standards revise the transition guidance relevant to the initial application of those Standards, to clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. These amendments result from proposals issued in AASB Exposure Draft ED 224 *Transition Guidance* (December 2011).

Further amendments to AASB 10 and related Standards revise their application paragraphs, so that they apply mandatorily to not-for-profit entities for annual reporting periods beginning on or after 1 January 2014, with early application permitted for not-for-profit entities only from 1 January 2013. The application of the amendments set out in AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* is similarly amended. There is no change to the application date for for-profit entities, which are

required to apply those Standards for annual reporting periods beginning on or after 1 January 2013, with early application permitted.

This Standard also makes various editorial amendments to a range of Australian Accounting Standards and to Interpretation 12 *Service Concession Arrangements*, including amendments to reflect changes made to the text of IFRSs by the IASB.

Application Date

This Standard applies to annual reporting periods beginning on or after 1 January 2013. Early application is permitted, subject to conditions in relation to the amendments to AASB 10 and related Standards. When those Standards are applied, this Standard is also required to be applied.

ACCOUNTING STANDARD AASB 2012-10

The Australian Accounting Standards Board makes Accounting Standard AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments* under section 334 of the *Corporations Act 2001*.

Dated 18 December 2012

Kevin M. Stevenson
Chair – AASB

ACCOUNTING STANDARD AASB 2012-10

AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS – TRANSITION GUIDANCE AND OTHER AMENDMENTS

Objective

- 1 The objective of this Standard is to make amendments to:
 - (a) AASB 1 *First-time Adoption of Australian Accounting Standards*;
 - (b) AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*;
 - (c) AASB 7 *Financial Instruments: Disclosures*;
 - (d) AASB 8 *Operating Segments*;
 - (e) AASB 10 *Consolidated Financial Statements*;
 - (f) AASB 11 *Joint Arrangements*;
 - (g) AASB 12 *Disclosure of Interests in Other Entities*;
 - (h) AASB 13 *Fair Value Measurement*;
 - (i) AASB 101 *Presentation of Financial Statements*;
 - (j) AASB 102 *Inventories*;

- (k) AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- (l) AASB 112 *Income Taxes*;
- (m) AASB 118 *Revenue*;
- (n) AASB 119 *Employee Benefits*;
- (o) AASB 127 *Separate Financial Statements*;
- (p) AASB 128 *Investments in Associates and Joint Ventures*;
- (q) AASB 132 *Financial Instruments: Presentation*;
- (r) AASB 133 *Earnings per Share*;
- (s) AASB 134 *Interim Financial Reporting*;
- (t) AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*;
- (u) AASB 1023 *General Insurance Contracts*;
- (v) AASB 1038 *Life Insurance Contracts*;
- (w) AASB 1039 *Concise Financial Reports*;
- (x) AASB 1049 *Whole of Government and General Government Sector Financial Reporting*;
- (y) AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*; and
- (z) Interpretation 12 *Service Concession Arrangements*;

as a consequence of the issuance of the International Financial Reporting Standard *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance* (Amendments to IFRS 10, IFRS 11 and IFRS 12) by the International Accounting Standards Board in June 2012, deferral of the application of AASB 10, AASB 11, AASB 12, AASB 127, AASB 128 and AASB 2011-7 to not-for-profit entities, and editorial corrections.

Application

- 2 Subject to paragraphs 3–9, this Standard applies to:**
- (a) each entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act and that is a reporting entity;**
 - (b) general purpose financial statements of each other reporting entity; and**
 - (c) financial statements that are, or are held out to be, general purpose financial statements.**
- 3 In respect of AASB 8, this Standard applies to:**
- (a) each for-profit entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act and that is a reporting entity;**
 - (b) general purpose financial statements of each other for-profit reporting entity other than for-profit government departments; and**
 - (c) financial statements of a for-profit entity other than for-profit government departments that are, or are held out to be, general purpose financial statements.**
- 4 In respect of AASB 101 and AASB 108, this Standard applies to:**
- (a) each entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act;**
 - (b) general purpose financial statements of each reporting entity; and**
 - (c) financial statements that are, or are held out to be, general purpose financial statements.**
- 5 In respect of AASB 133, this Standard applies to each entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act and that is:**
- (a) a reporting entity whose ordinary shares or potential ordinary shares are publicly traded; or**

- (b) a reporting entity that is in the process of issuing ordinary shares or potential ordinary shares in public markets; or
 - (c) an entity that discloses earnings per share.
- 6 In respect of AASB 134, this Standard applies to:**
- (a) each disclosing entity required to prepare half-year financial reports in accordance with Part 2M.3 of the Corporations Act;
 - (b) interim financial reports that are general purpose financial statements of each other reporting entity; and
 - (c) interim financial reports that are, or are held out to be, general purpose financial statements.
- 7 In respect of AASB 1038, this Standard applies to each entity that is:**
- (a) a life insurer; or
 - (b) the parent in a group that includes a life insurer;
- when the entity:**
- (c) is a reporting entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act;
 - (d) is an other reporting entity and prepares general purpose financial statements; or
 - (e) prepares financial statements that are, or are held out to be, general purpose financial statements.
- 8 In respect of AASB 1039, this Standard applies to a concise financial report prepared by an entity in accordance with paragraph 314(2)(a) in Part 2M.3 of the Corporations Act.**
- 9 In respect of AASB 1049, this Standard applies to each government's whole of government general purpose financial statements and General Government Sector financial statements.**
- 10 This Standard applies to annual reporting periods beginning on or after 1 January 2013.**

- 11 **This Standard shall be applied when AASB 10, AASB 11, AASB 12, AASB 127 and AASB 128 are applied. This Standard may be applied to annual reporting periods beginning on or after 1 January 2005 but before 1 January 2013, except that the amendments to AASB 10, AASB 11, AASB 12, AASB 127, AASB 128 and AASB 2011-7 may be applied early only in accordance with those Standards. When an entity applies this Standard to such an annual reporting period, it shall disclose that fact.**
- 12 **This Standard uses underlining, striking out and other typographical material to identify some of the amendments to a Standard, in order to make the amendments more understandable. However, the amendments made by this Standard do not include that underlining, striking out or other typographical material.**

Amendments to AASB 1

- 13 In paragraph 32(b), ‘cross reference’ is amended to ‘cross-reference’.
- 14 Paragraph 39S is added as follows:
- 39S *AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*, issued in December 2012, amended paragraph D31. An entity shall apply that amendment when it applies AASB 11 (as amended in December 2012).
- 15 In paragraph C1, ‘combinations that occurred on 30 June 20X6 and the date of transition’ is amended to ‘combinations that occurred between 30 June 20X6 and the date of transition’.
- 16 Paragraph D31 is amended as follows (new text is underlined and deleted text is struck through):
- D31 A first-time adopter may apply the transition provisions in AASB 11 with the following exceptions:-
- (a) When applying the transition provisions in AASB 11, a first-time adopter shall apply these provisions at the date of transition to Australian Accounting Standards.
- (b) When changing from proportionate consolidation to the equity method, a first-time adopter shall test for impairment the investment in accordance with AASB 136 as at the ~~beginning of the earliest period presented~~ date of

transition to Australian Accounting Standards, regardless of whether there is any indication that the investment may be impaired. Any resulting impairment shall be recognised as an adjustment to retained earnings at the beginning of the earliest period presented date of transition to Australian Accounting Standards.

- 17 In paragraph E4, ‘the transitional provisions’ is amended to ‘the transition provisions’.

Amendment to AASB 5

- 18 Paragraph 33(b) is amended as follows (new text is underlined and deleted text is struck through):

33(b) an analysis of the single amount in (a) into:

- (i) ...
- (ii) the related income tax expense as required by paragraph 81(h) of AASB 112; and
- (iii) the gain or loss recognised ... discontinued operation; ~~and~~
- ~~(iv) the related income tax expense as required by paragraph 81(h) of AASB 112.~~

Amendments to AASB 7

- 19 In paragraph 42A, the comma after the words ‘(the transferred financial asset)’ in the fourth sentence is deleted.
- 20 In paragraph B29, ‘stand-alone financial statements’ is amended to ‘separate or individual financial statements’.
- 21 The heading before paragraph B32 is amended by adding ‘(paragraph 42D)’ at the end.
- 22 In paragraph B38, ‘the entity also shall disclose’ is amended to ‘the entity shall also disclose’.
- 23 Appendix C *Amendments to Other Australian Accounting Standards* is deleted.

Amendment to AASB 8

- 24 Paragraph Aus2.1 is amended to conclude with a full stop instead of a semi-colon.

Amendments to AASB 10

- 25 Paragraphs Aus3.2 and Aus3.3 are amended as follows (new text is underlined and deleted text is struck through):

Aus3.2 This Standard applies to annual reporting periods beginning on or after 1 January 2013, except that for not-for-profit entities it applies to annual reporting periods beginning on or after 1 January 2014.

Aus3.3 This Standard may be applied by:

(a) ~~for-profit entities, but not by not-for-profit entities,~~ to annual reporting periods beginning on or after 1 January 2005 but before 1 January 2013; and

(b) not-for-profit entities to annual reporting periods beginning on or after 1 January 2013 but before 1 January 2014.

If a ~~for-profit~~ an entity applies this Standard to such an annual reporting period in accordance with paragraph (a) or (b), it shall disclose that fact and apply AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities*, AASB 127 *Separate Financial Statements (August 2011)* and AASB 128 *Investments in Associates and Joint Ventures (August 2011)*, at the same time.

- 26 In paragraph B13, in Application Example 1, 'marketing of the project' is amended to 'marketing of the product'.
- 27 In paragraph B43, 'paragraph 42(a)–(c)' is amended to 'paragraph B42(a)–(c)'.
- 28 In paragraph B82, 'have elapsed' is amended to 'have lapsed'.
- 29 Paragraph C1A is added as follows:
- C1A AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*, issued in December 2012, amended paragraphs C2–C6 and added

paragraphs C2A–C2B, C4A–C4C, C5A and C6A–C6B. An entity shall apply those amendments for annual reporting periods beginning on or after 1 January 2013, except that a not-for-profit entity shall apply the amendments for annual reporting periods beginning on or after 1 January 2014. If an entity applies AASB 10 for an earlier period, it shall apply those amendments for that earlier period.

- 30 Paragraph C2 is amended as follows (new text is underlined and deleted text is struck through):
- C2 An entity shall apply this Standard retrospectively, in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, except as specified in paragraphs ~~C3~~ C2A–C6.
- 31 Paragraphs C2A–C2B are added as follows:
- C2A Notwithstanding the requirements of paragraph 28 of AASB 108, when this Standard is first applied, an entity need only present the quantitative information required by paragraph 28(f) of AASB 108 for the annual reporting period immediately preceding the date of initial application of this Standard (the ‘immediately preceding period’). An entity may also present this information for the current period or for earlier comparative periods, but is not required to do so.
- C2B For the purposes of this Standard, the date of initial application is the beginning of the annual reporting period for which this Standard is applied for the first time.
- 32 Paragraphs C3–C4 are amended as follows (new text is underlined and deleted text is struck through):
- C3 ~~When applying this Standard for the first time~~ At the date of initial application, an entity is not required to make adjustments to the previous accounting for its involvement with either:
- (a) entities that ~~were previously~~ would be consolidated at that date in accordance with AASB 127 *Consolidated and Separate Financial Statements* and Interpretation 112 *Consolidation – Special Purpose Entities* and, are still consolidated in accordance with this Standard, ~~continue to be consolidated~~; or
- (b) entities that ~~were previously unconsolidated~~ would not be consolidated at that date in accordance with AASB 127

and Interpretation 112 and; are not consolidated in accordance with this Standard, ~~continue not to be consolidated.~~

- C4 ~~When application of this Standard for the first time results in~~ If, at the date of initial application, an investor concludes that it shall consolidate ~~consolidating~~ an investee that was not consolidated in accordance with AASB 127 and Interpretation 112, the investor shall:
- (a) if the investee is a business (as defined in AASB 3 *Business Combinations*), measure the assets, liabilities and non-controlling interests in that previously unconsolidated investee ~~on the date of initial application~~ as if that investee had been consolidated (and thus had applied acquisition accounting in accordance with AASB 3) from the date when the investor obtained control of that investee on the basis of the requirements of this Standard. The investor shall adjust retrospectively the annual reporting period immediately preceding the date of initial application. When the date that control was obtained is earlier than the beginning of the immediately preceding period, the investor shall recognise, as an adjustment to equity at the beginning of the immediately preceding period, any difference between:
 - (i) the amount of assets, liabilities and non-controlling interests recognised; and
 - (ii) the previous carrying amount of the investor's involvement with the investee.
 - (b) if the investee is not a business (as defined in AASB 3), measure the assets, liabilities and non-controlling interests in that previously unconsolidated investee ~~on the date of initial application~~ as if that investee had been consolidated (applying the acquisition method as described in AASB 3 but without recognising any goodwill for the investee) from the date when the investor obtained control of that investee on the basis of the requirements of this Standard. The investor shall adjust retrospectively the annual reporting period immediately preceding the date of initial application. When the date that control was obtained is earlier than the beginning of the immediately preceding period, the investor shall recognise, as an adjustment to equity at the beginning of the immediately preceding period, ~~Any~~ any difference between:

- (i) the amount of assets, liabilities and non-controlling interests recognised; and
- (ii) the previous carrying amount of the investor's involvement with the investee.

~~shall be recognised as a corresponding adjustment to the opening balance of equity.~~

~~(e)C4A~~ ~~if~~ If measuring an investee's assets, liabilities and non-controlling interests in accordance with paragraph C4(a) or (b) is impracticable (as defined in AASB 108), ~~the~~ an investor shall:

~~(i)(a)~~ (i)(a) if the investee is a business, apply the requirements of AASB 3 as of the deemed acquisition date. The deemed acquisition date shall be the beginning of the earliest period for which application of ~~AASB 3~~ paragraph C4(a) is practicable, which may be the current period.

~~(ii)(b)~~ (ii)(b) if the investee is not a business, apply the acquisition method as described in AASB 3 but without recognising any goodwill for the investee as of the deemed acquisition date. The deemed acquisition date shall be the beginning of the earliest period for which the application of ~~this~~ paragraph C4(b) is practicable, which may be the current period.

~~The investor shall recognise any difference between~~ The investor shall adjust retrospectively the annual reporting period immediately preceding the date of initial application, unless the beginning of the earliest period for which application of this paragraph is practicable is the current period. When the deemed acquisition date is earlier than the beginning of the immediately preceding period, the investor shall recognise, as an adjustment to equity at the beginning of the immediately preceding period, any difference between:

- (c) the amount of assets, liabilities and non-controlling interests recognised ~~at the deemed acquisition date;~~ and
- (d) ~~any previously recognised~~ the previous carrying amounts from its of the investor's involvement with the investee, as an adjustment to equity for that period. ~~In addition, the investor shall provide comparative information and disclosures in accordance with AASB 108.~~

If the earliest period for which application of this paragraph is practicable is the current period, the adjustment to equity shall be recognised at the beginning of the current period.

33 Paragraphs C4B–C4C are added as follows:

C4B When an investor applies paragraphs C4–C4A and the date that control was obtained in accordance with this Standard is later than the effective date of AASB 3 as revised in 2008 (AASB 3 (March 2008)), the reference to AASB 3 in paragraphs C4 and C4A shall be to AASB 3 (March 2008). If control was obtained before the effective date of AASB 3 (March 2008), an investor shall apply either AASB 3 (March 2008) or AASB 3 (July 2004).

C4C When an investor applies paragraphs C4–C4A and the date that control was obtained in accordance with this Standard is later than the effective date of AASB 127 as revised in 2008 (AASB 127 (March 2008)), an investor shall apply the requirements of this Standard for all periods that the investee is retrospectively consolidated in accordance with paragraphs C4–C4A. If control was obtained before the effective date of AASB 127 (March 2008), an investor shall apply either:

- (a) the requirements of this Standard for all periods that the investee is retrospectively consolidated in accordance with paragraphs C4–C4A; or
- (b) the requirements of the version of AASB 127 issued in 2004 (AASB 127 (July 2004)) for those periods prior to the effective date of AASB 127 (March 2008) and thereafter the requirements of this Standard for subsequent periods.

34 Paragraphs C5–C6 are amended as follows (new text is underlined and deleted text is struck through):

C5 ~~When application of this Standard for the first time results in~~ If ~~at the date of initial application, an investor concludes that it will no longer consolidating consolidate an investee that was consolidated in accordance with AASB 127 (as amended in 2008) and Interpretation 112, the investor shall measure its retained interest in the investee on the date of initial application at the amount at which it would have been measured if the requirements of this Standard had been effective when the investor became involved with (but did not obtain control in accordance with this Standard), or lost control of, the investee.~~

The investor shall adjust retrospectively the annual reporting period immediately preceding the date of initial application. When the date that the investor became involved with (but did not obtain control in accordance with this Standard), or lost control of, the investee is earlier than the beginning of the immediately preceding period, the investor shall recognise, as an adjustment to equity at the beginning of the immediately preceding period, any difference between:

- (a) the previous carrying amount of the assets, liabilities and non-controlling interests; and
- (b) the recognised amount of the investor's interest in the investee.

C5A If measuring measurement of the retained interest in the investee in accordance with paragraph C5 is impracticable (as defined in AASB 108), the an investor shall apply the requirements of this Standard for accounting for a loss of control at the beginning of the earliest period for which application of this Standard paragraph C5 is practicable, which may be the current period. The investor shall recognise any difference between The investor shall adjust retrospectively the annual reporting period immediately preceding the date of initial application, unless the beginning of the earliest period for which application of this paragraph is practicable is the current period. When the date that the investor became involved with (but did not obtain control in accordance with this Standard), or lost control of, the investee is earlier than the beginning of the immediately preceding period, the investor shall recognise, as an adjustment to equity at the beginning of the immediately preceding period, any difference between:

- (a) the previously recognised previous carrying amount of the assets, liabilities and non-controlling interests; and
- (b) the carrying recognised amount of the investor's involvement with interest in the investee, as an adjustment to equity for that period. In addition, the investor shall provide comparative information and disclosures in accordance with AASB 108.

If the earliest period for which application of this paragraph is practicable is the current period, the adjustment to equity shall be recognised at the beginning of the current period.

C6 Paragraphs 23, 25, B94 and B96–B99 were amendments to AASB 127 made in 2008 that were carried forward into AASB 10. Except when an entity applies paragraph C3, or is required to apply paragraphs C4–C5A, the entity shall apply the requirements in those paragraphs as follows:

(a) ...

35 The following subheading and paragraphs are added to Appendix C:

References to the ‘immediately preceding period’

C6A Notwithstanding the references to the annual reporting period immediately preceding the date of initial application (the ‘immediately preceding period’) in paragraphs C4–C5A, an entity may also present adjusted comparative information for any earlier periods presented, but is not required to do so. If an entity does present adjusted comparative information for any earlier periods, all references to the ‘immediately preceding period’ in paragraphs C4–C5A shall be read as the ‘earliest adjusted comparative period presented’.

C6B If an entity presents unadjusted comparative information for any earlier periods, it shall clearly identify the information that has not been adjusted, state that it has been prepared on a different basis, and explain that basis.

Amendments to AASB 11

36 Paragraphs Aus2.2 and Aus2.3 are amended as follows (new text is underlined and deleted text is struck through):

Aus2.2 This Standard applies to annual reporting periods beginning on or after 1 January 2013, except that for not-for-profit entities it applies to annual reporting periods beginning on or after 1 January 2014.

Aus2.3 This Standard may be applied by:

(a) ~~for-profit entities, but not by not-for-profit entities,~~ to annual reporting periods beginning on or after 1 January 2005 but before 1 January 2013; and

(b) not-for-profit entities to annual reporting periods beginning on or after 1 January 2013 but before 1 January 2014.

If a for-profit an entity applies this Standard to such an annual reporting period in accordance with paragraph (a) or (b), it shall disclose that fact and apply AASB 10 Consolidated Financial Statements, AASB 12 Disclosure of Interests in Other Entities, AASB 127 Separate Financial Statements (August 2011) and AASB 128 Investments in Associates and Joint Ventures (August 2011), at the same time.

37 Paragraphs C1A–C1B are added as follows:

C1A AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*, issued in December 2012, amended paragraphs C2–C5, C7–C10 and C12 and added paragraphs C1B and C12A–C12B. An entity shall apply those amendments for annual reporting periods beginning on or after 1 January 2013, except that a not-for-profit entity shall apply the amendments for annual reporting periods beginning on or after 1 January 2014. If an entity applies AASB 11 for an earlier period, it shall apply those amendments for that earlier period.

Transition

C1B Notwithstanding the requirements of paragraph 28 of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, when this Standard is first applied, an entity need only present the quantitative information required by paragraph 28(f) of AASB 108 for the annual reporting period immediately preceding the first annual reporting period for which AASB 11 is applied (the ‘immediately preceding period’). An entity may also present this information for the current period or for earlier comparative periods, but is not required to do so.

38 Paragraphs C2–C5, C7–C10 and C12 are amended as follows (new text is underlined and deleted text is struck through):

Joint ventures – transition from proportionate consolidation to the equity method

C2 When changing from proportionate consolidation to the equity method, an entity shall recognise its investment in the joint venture as at the beginning of the earliest immediately preceding period presented. That initial investment shall be measured ...

- C3 The opening balance of the investment ... an adjustment to retained earnings at the beginning of the ~~earliest~~ earliest immediately preceding period presented. The initial recognition exception ...
- C4 If aggregating all previously proportionately consolidated assets ... adjust retained earnings at the beginning of the ~~earliest~~ earliest immediately preceding period presented. The entity shall disclose this fact, along with its cumulative unrecognised share of losses of its joint ventures as at the beginning of the ~~earliest~~ earliest immediately preceding period presented and at the date at which this Standard is first applied.
- C5 An entity shall disclose a breakdown of the assets and liabilities that have been aggregated into the single line investment balance as at the beginning of the ~~earliest~~ earliest immediately preceding period presented. That disclosure shall be prepared ...

Joint operations – transition from the equity method to accounting for assets and liabilities

- C7 When changing from the equity method to accounting for assets and liabilities in respect of its interest in a joint operation, an entity shall, at the beginning of the ~~earliest~~ earliest immediately preceding period presented, derecognise the investment ...
- C8 An entity shall determine its interest ... the carrying amount of the investment at the beginning of the ~~earliest~~ earliest immediately preceding period presented on the basis of the information used by the entity in applying the equity method.
- C9 Any difference arising from the investment ...
- (a) offset against any goodwill relating to the investment with any remaining difference adjusted against retained earnings at the beginning of the ~~earliest~~ earliest immediately preceding period presented, if the net amount of the assets and liabilities ...
- (b) adjusted against retained earnings at the beginning of the ~~earliest~~ earliest immediately preceding period presented, if the net amount of the assets and liabilities ...
- C10 An entity changing from the equity method ... adjusted against retained earnings, at the beginning of the ~~earliest~~ earliest immediately preceding period presented.

Transition provisions in an entity's separate financial statements

C12 An entity that, in accordance with ...

- (a) ...
- (b) provide a reconciliation ... adjusted in retained earnings, at the beginning of the ~~earliest~~ immediately preceding period presented.

39 The following subheading and paragraphs are added to Appendix C:

References to the 'immediately preceding period'

C12A Notwithstanding the references to the 'immediately preceding period' in paragraphs C2–C12, an entity may also present adjusted comparative information for any earlier periods presented, but is not required to do so. If an entity does present adjusted comparative information for any earlier periods, all references to the 'immediately preceding period' in paragraphs C2–C12 shall be read as the 'earliest adjusted comparative period presented'.

C12B If an entity presents unadjusted comparative information for any earlier periods, it shall clearly identify the information that has not been adjusted, state that it has been prepared on a different basis, and explain that basis.

Amendments to AASB 12

40 Paragraphs Aus4.2 and Aus4.3 are amended as follows (new text is underlined and deleted text is struck through):

Aus4.2 This Standard applies to annual reporting periods beginning on or after 1 January 2013, except that for not-for-profit entities it applies to annual reporting periods beginning on or after 1 January 2014.

Aus4.3 This Standard may be applied by:

- (a) for-profit entities, but not by not-for-profit entities, to annual reporting periods beginning on or after 1 January 2005 but before 1 January 2013; and**

(b) not-for-profit entities to annual reporting periods beginning on or after 1 January 2013 but before 1 January 2014.

If a ~~for-profit~~ entity applies this Standard to such an annual reporting period in accordance with paragraph (a) or (b), it shall disclose that fact and apply AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 127 Separate Financial Statements (as amended in August 2011) and AASB 128 Investments in Associates and Joint Ventures (as amended in August 2011), at the same time.

- 41 In paragraph 9(c), ‘paragraphs 58–72 of AASB 10’ is amended to ‘paragraphs B58–B72 of AASB 10’.
- 42 Paragraphs C1A and C2A–C2B are added as follows:
- C1A AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*, issued in December 2012, added paragraphs C2A–C2B. An entity shall apply those amendments for annual reporting periods beginning on or after 1 January 2013, except that a not-for-profit entity shall apply the amendments for annual reporting periods beginning on or after 1 January 2014. If an entity applies AASB 12 for an earlier period, it shall apply those amendments for that earlier period.
- C2A The disclosure requirements of this Standard need not be applied for any period presented that begins before the annual reporting period immediately preceding the first annual reporting period for which AASB 12 is applied.
- C2B The disclosure requirements of paragraphs 24–31 and the corresponding guidance in paragraphs B21–B26 of this Standard need not be applied for any period presented that begins before the first annual reporting period for which AASB 12 is applied.

Amendment to AASB 13

- 43 In paragraph 48, ‘or to transfer a net short position’ is amended to ‘or paid to transfer a net short position’.

Amendments to AASB 101

44 Paragraph Aus1.5 is amended to read as follows:

Aus1.5 When applicable, this Standard supersedes AASB 101 *Presentation of Financial Statements* (October 2006), as amended.

45 In paragraphs 13(c), 14 and 15, 'IFRSs' is amended to 'Australian Accounting Standards', and in the heading before paragraph 15, 'IFRSs' is amended to 'Standards'.

Amendment to AASB 102

46 The heading 'Effective Date of IAS 2' before paragraph 40 is amended to 'Effective Date'.

Amendment to AASB 108

47 The heading 'Effective Date of IAS 8' before paragraph 54 is amended to 'Effective Date'.

Amendments to AASB 112

48 In paragraph 58, 'paragraphs 61A to 65' is amended to 'paragraphs 61A–65' and 'paragraphs 66 to 68' is amended to 'paragraphs 66–68'.

49 In paragraphs 71, 72, 74 and 75, 'set-off' is amended to 'set off'.

Amendments to AASB 118

50 The paragraph under the heading 'Sale of Goods' in the Illustrative Examples accompanying AASB 118 is amended as follows (new text is underlined and deleted text is struck through):

The law in different countries may mean the recognition criteria in ~~this~~ the Standard ... Therefore, the examples in this section ~~of the appendix~~ need to be read in the context of ...

51 Paragraph 9 of the Illustrative Examples accompanying AASB 118 is amended as follows (new text is underlined):

9 *Real estate sales*

This example has been superseded by AASB Interpretation 15 *Agreements for the Construction of Real Estate* as identified in AASB 1048 Interpretation of Standards.

Amendments to AASB 119

- 52 In paragraph 8, the definition of ‘fair value’ is amended to read as follows:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (See AASB 13 Fair Value Measurement.)

- 53 Paragraph 113 is amended to read as follows:

113 The fair value of any plan assets is deducted from the present value of the defined benefit obligation in determining the deficit or surplus.

Amendments to AASB 127

- 54 Paragraphs Aus1.2 and Aus1.3 are amended as follows (new text is underlined and deleted text is struck through):

Aus1.2 This Standard applies to annual reporting periods beginning on or after 1 January 2013, except that for not-for-profit entities it applies to annual reporting periods beginning on or after 1 January 2014.

Aus1.3 This Standard may be applied by:

(a) ~~for-profit entities, but not by not-for-profit entities,~~ to annual reporting periods beginning on or after 1 January 2005 but before 1 January 2013; and

(b) not-for-profit entities to annual reporting periods beginning on or after 1 January 2013 but before 1 January 2014.

If a ~~for-profit~~ an entity applies this Standard to such an annual reporting period in accordance with paragraph (a) or (b), it shall disclose that fact and apply AASB 10 Consolidated Financial Statements, AASB 11 Joint

Arrangements, AASB 12 Disclosure of Interests in Other Entities and AASB 128 Investments in Associates and Joint Ventures (August 2011) at the same time.

55 Paragraph 17 is amended as follows (deleted text is struck through):

17 When a parent (other than ...

...

~~The parent or investor shall also identify the financial statements prepared in accordance with AASB 10, AASB 11 or AASB 128 (August 2011) to which they relate.~~

Amendments to AASB 128

56 Paragraphs Aus1.2 and Aus1.3 are amended as follows (new text is underlined and deleted text is struck through):

Aus1.2 This Standard applies to annual reporting periods beginning on or after 1 January 2013, except that for not-for-profit entities it applies to annual reporting periods beginning on or after 1 January 2014.

Aus1.3 This Standard may be applied by:

(a) ~~for-profit entities, but not by not-for-profit entities,~~ to annual reporting periods beginning on or after 1 January 2005 but before 1 January 2013; and

(b) not-for-profit entities to annual reporting periods beginning on or after 1 January 2013 but before 1 January 2014.

If a for-profit an entity applies this Standard to such an annual reporting period in accordance with paragraph (a) or (b), it shall disclose that fact and apply AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities and AASB 127 Separate Financial Statements (August 2011), at the same time.

Amendments to AASB 132

57 Paragraph 97M is renumbered as 97N and paragraph 97M is added:

97M *AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*, issued in June 2012, amended paragraph 43 by requiring an entity to disclose the information required in paragraphs 13B–13E of AASB 7 for recognised financial assets that are within the scope of paragraph 13A of AASB 7. An entity shall apply that amendment for annual reporting periods beginning on or after 1 January 2013 and interim periods within those annual reporting periods. An entity shall provide the disclosures required by this amendment retrospectively.

[The original paragraph 97M was added to AASB 132 by *AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle*.]

58 In paragraph IE49 in the Illustrative Examples accompanying AASB 132, ‘Number of ordinary shares issued upon conversion’ is amended to ‘Number of ordinary shares to be issued on conversion’.

Amendment to AASB 133

59 The heading ‘Effective Date of IAS 33’ before paragraph 74 is amended to ‘Effective Date’.

Amendments to AASB 134

60 In paragraphs 7, 27, 35 and 36, and paragraph B13 of the Illustrative Examples accompanying AASB 134, the reference to paragraph 16 is amended to paragraph 16A.

61 In paragraph B4, ‘This Standard’ is amended to ‘The Standard’.

62 In paragraph B13, ‘paragraph 28 of this Standard’ is amended to ‘paragraph 28 of the Standard’.

63 In paragraph B19, ‘one-time’ is amended to ‘one-off’.

64 In paragraph C5 of the Illustrative Examples, ‘Paragraph 14 of Appendix B’ is amended to ‘Paragraph B14’.

Amendments to AASB 137

- 65 In Part C of the Implementation Guidance accompanying AASB 137, Example 9 is amended as follows (new text is underlined and deleted text is struck through):

...

This contract meets the definition of an insurance contract in AASB 4 *Insurance Contracts*, but is within the scope of AASB 139 *Financial Instruments: Recognition and Measurement*, because it also meets the definition of a financial guarantee contract in AASB 139. If an issuer has previously asserted explicitly that it regards such contracts as insurance contracts and has used accounting applicable to insurance contracts, the issuer may elect to apply either AASB 139 or AASB 4 to such financial guarantee contracts. AASB 4 permits the issuer to continue its existing accounting policies for insurance contracts if specified minimum requirements are satisfied. AASB 4 also permits changes in accounting policies that meet specified criteria. The following is an example of an accounting policy that AASB 4 permits and that also complies with the requirements in AASB 139 for financial guarantee contracts within the scope of AASB 139.

...

~~Note: Where an entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.~~

Amendments to AASB 1023

- 66 Paragraphs 15.4.1 and 15.4.2 are deleted.

Amendments to AASB 1038

- 67 Paragraphs 10.4.1 and 10.4.2 are deleted.

Amendment to AASB 1039

- 68 In paragraph 30, paragraph (c) is deleted, 'and' is added at the end of paragraph (b), and paragraph (d) is renumbered as paragraph (c).

Amendments to AASB 1049

- 69 Paragraph 6 is amended as follows (new text is underlined and deleted text is struck through):
- 6 When applicable, this Standard supersedes AASB 1049 *Financial Reporting of General Government Sectors by Governments* (~~October 2007~~ September 2006) and AAS 31 *Financial Reporting by Governments* (November 1996), as amended.
- 70 In paragraph 63, the comma after the word ‘bases’ in the last sentence is deleted.
- 71 In the Illustrative Examples accompanying AASB 1049, Illustrative Example A is amended (new text is underlined and deleted text is struck through) as follows:

ILLUSTRATIVE EXAMPLE A

... Statement of Comprehensive Income for the Whole of Government of the ABC Government for the Year Ended 30 June 20XX

	Notes	\$m
...		
Other Economic Flows – Included in Operating Result		
Other revenue		
Net swap interest revenue		577
Net foreign exchange gains		2,120
Net gain on sale of non-financial assets		343
Net gain on financial assets or liabilities at fair value through operating result		265
Remeasurements of the defined benefit liability		866
Amortisation of non-produced assets		(119)
Doubtful debts		(604)
Share of net profit/(loss) from associates, excluding dividends		(26)
		<u>3,422</u> 2,556
OPERATING RESULT		<u>7,079</u> 6,213
Other Economic Flows – Other Comprehensive Income		
<i>Items that will not be reclassified to operating result</i>		
Revaluations		1,589
Remeasurements of the defined benefit liability		866
<i>Items that may be reclassified subsequently to operating result</i>		
Net gain on financial assets measured at fair value		2,946
		<u>4,535</u> 5,401
COMPREHENSIVE RESULT – TOTAL CHANGE IN NET WORTH BEFORE TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS		<u>11,614</u>
...		

**R1 Statement of Comprehensive Income for the Whole of Government
by Sector of the ABC Government for the Year Ended 30 June 20XX**

	Notes	GGSS \$m	PNFC sector \$m	PFC sector \$m	Eliminations \$m	Whole of Government \$m
...						
Other Economic Flows – Included in Operating Result						
Other revenue						
Net swap interest revenue		340	69	168	-	577
Dividends from other sector entities		300	-	-	(300)	-
Net foreign exchange gains/(losses)		599	(3)	1,524	-	2,120
Net gain on sale of non-financial assets		200	145	(2)	-	343
Net gain on financial assets or liabilities at fair value through operating result		220	-	45	-	265
Remeasurements of the defined benefit liability		840	21	5	-	866
Amortisation of non- produced assets		(75)	(43)	(1)	-	(119)
Doubtful debts		(500)	(63)	(41)	-	(604)
Share of net profit/(loss) from associates, excluding dividends		(51)	25	-	-	(26)
		1,873	151	1,698		3,422
		<u>1,033</u>	<u>130</u>	<u>1,693</u>	(300)	<u>2,556</u>
OPERATING RESULT		6,167	(3,918)	6,178		7,079
		<u>5,327</u>	<u>(3,939)</u>	<u>6,173</u>	<u>(1,348)</u>	<u>6,213</u>
Other Economic Flows – Other Comprehensive Income						
<i>Items that will not be reclassified to operating result</i>						
Revaluations		1,552	20	17	-	1,589

	Notes	GGS \$m	PNFC sector \$m	PFC sector \$m	Eliminations \$m	Whole of Government \$m
<u>Remeasurements of the defined benefit liability</u>		<u>840</u>	<u>21</u>	<u>5</u>	-	<u>866</u>
<i>Items that may be reclassified subsequently to operating result</i>						
Net gain on equity investments in other sector entities measured at proportional share of the carrying amount of net assets/ (liabilities)		1,072	-	-	(1,072)	-
Net gain on financial assets measured at fair value		1,000	15	1,931	-	2,946
		3,624	35	1,948		4,535
		<u>4,464</u>	<u>56</u>	<u>1,953</u>	(1,072)	<u>5,401</u>
COMPREHENSIVE RESULT – TOTAL CHANGE IN NET WORTH BEFORE TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS		<u>9,791</u>	<u>(3,883)</u>	<u>8,126</u>	<u>(2,420)</u>	<u>11,614</u>

...

72 Illustrative Example B is amended (new text is underlined and deleted text is struck through) as follows:

ILLUSTRATIVE EXAMPLE B

Statement of Comprehensive Income for the General Government Sector of the ABC Government for the Year Ended 30 June 20XX

	Notes	\$m
...		
Other Economic Flows – Included in Operating Result		
Other revenue		
Net swap interest revenue		340
Dividends from other sector entities		300

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	Notes	\$m
Net foreign exchange gains		599
Net gain on sale of non-financial assets		200
Net gain on financial assets or liabilities at fair value through operating result		220
Remeasurements of the defined benefit liability		840
Amortisation of non-produced assets		(75)
Doubtful debts		(500)
Share of net profit/(loss) from associates, excluding dividends		(51)
		<u>1,873</u>
		<u>1,033</u>
OPERATING RESULT		<u>6,167</u>
		<u>5,327</u>
Other Economic Flows – Other Comprehensive Income		
<i>Items that will not be reclassified to operating result</i>		
Revaluations		1,552
<u>Remeasurements of the defined benefit liability</u>		<u>840</u>
<i>Items that may be reclassified subsequently to operating result</i>		
Net gain on equity investments in other sector entities measured at proportional share of carrying amount of net assets/(liabilities)		1,072
Net gain on financial assets measured at fair value		1,000
		<u>3,624</u>
		<u>4,464</u>
COMPREHENSIVE RESULT – TOTAL CHANGE IN NET WORTH		<u>9,791</u>

...

73 In the Explanatory Notes Supporting Illustrative Examples A and B, notes i, k and u are amended as follows (new text is underlined and deleted text is struck through):

- i **Other Economic Flows – Other ~~Non-Owner~~³ Changes in ~~Equity~~ Comprehensive Income – Net Gain on Equity Investments in Other Sector Entities Measured at Proportional Share of the Carrying Amount of Net Assets/(Liabilities)**

...

3—The term ‘Non-Owner’ is not needed in a GGS context compared with the whole of government context. In a whole of government context the term is used in Illustrative Example A in relation to the PNFC and PFC sector financial statements to distinguish between transactions that occur between the GGS (as owner) and the PNFC/PFC sectors and other types of transactions.

...

k Other Economic Flows – Other Non-Owner⁴ Changes in Equity Comprehensive Income – Revaluations

...

4—The term ‘Non-Owner’ is not needed in a GGS context compared with the whole of government context. In a whole of government context the term is used in Illustrative Example A in relation to the PNFC and PFC sector financial statements to distinguish between transactions that occur between the GGS (as owner) and the PNFC/PFC sectors and other types of transactions.

...

u Classification Differences Included in the GFS Cash Surplus/(Deficit)

For the whole of government and GGS, ... Under GFS, the corresponding amounts are \$41,105m and ~~\$39,943m~~ \$37,943m respectively.

...

Amendments to AASB 2011-7

74 Paragraphs 6 and 7 are amended as follows (new text is underlined and deleted text is struck through):

- 6 This Standard applies to annual reporting periods beginning on or after 1 January 2013, except that for not-for-profit entities it applies to annual reporting periods beginning on or after 1 January 2014.**

- 7 This Standard shall be applied when AASB 10, AASB 11, AASB 12, AASB 127 (August 2011) and AASB 128 (August 2011) are applied. This Standard may be applied by:
- (a) ~~for-profit entities, but not by not-for-profit entities,~~ to annual reporting periods beginning on or after 1 January 2005 but before 1 January 2013, except that the amendments to AASB 3 may be applied early only to annual reporting periods beginning on or after 30 June 2007 but before 1 January 2013; and
 - (b) not-for-profit entities to annual reporting periods beginning on or after 1 January 2013 but before 1 January 2014.

~~If a for-profit an~~ entity applies this Standard to such an annual reporting period beginning on or after 1 January 2005 but before 1 January 2013 in accordance with paragraph (a) or (b), it shall disclose that fact and apply AASB 10, AASB 11, AASB 12, AASB 127 (August 2011) and AASB 128 (August 2011) at the same time.

Amendments to Interpretation 12

- 75 The heading 'Effective Date of IFRIC 12' before paragraph 28 is amended to 'Effective Date'.
- 76 In paragraph IE11 of the Illustrative Examples accompanying Interpretation 12, 'at the end of the year 8' is amended to 'at the end of year 8'.