

**International Financial Reporting Standard**

# Disclosure Initiative

**December 2014**

**IMPLEMENTATION GUIDANCE – AMENDMENTS**

**[IAS 1 and IFRS 4 & 8]**

**[Related to AASB 2015-2]**

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## Amendments to the Guidance on implementing IAS 1 *Presentation of Financial Statements*

Paragraph IG6 is amended. Deleted text is struck through and new text is underlined.

### Illustrative financial statement structure

...

IG6 The examples are not intended to illustrate all aspects of IFRSs, nor do they constitute a complete set of financial statements, which would also include a statement of cash flows, ~~a summary of disclosures about~~ significant accounting policies and other explanatory information.

The versions of IAS 1 that include examples of statement of profit or loss and other comprehensive income when IAS 39 *Financial Instruments: Recognition and Measurement* is applied are amended. Deleted text is struck through and new text is underlined.

### Part I: Illustrative presentation of financial statements

...

(illustrating the presentation of profit or loss and other comprehensive income in one statement and the classification of expenses within profit or loss by function)

...

	20X7	20X6
...		
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Gains on property revaluation	933	3,367
Remeasurements of defined benefit pension plans	(667)	1,333
Share of <del>gain (loss) on property revaluation</del> <u>other comprehensive income</u> of associates <sup>(b)</sup>	400	(700)
Income tax relating to items that will not be reclassified <sup>(c)</sup>	(166)	(1,000)
	<u>500</u>	<u>3,000</u>
...		

*continued...*

...continued

...

**(illustrating the presentation of profit or loss and other comprehensive income in one statement and the classification of expenses within profit or loss by function)**

...

	20X7	20X6
Alternatively, items of other comprehensive income could be presented in the statement of profit or loss and other comprehensive income net of tax.		
<b>Other comprehensive income for the year, after tax:</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Gains on property revaluation	600	2,700
Remeasurements of defined benefit pension plans	(500)	1,000
Share of <del>gain (loss) on property revaluation</del> <u>other comprehensive income</u> of associates	400	(700)
	500	3,000

...

(a) ...

(b) This means the share of associates' ~~gain (loss) on property revaluation~~ other comprehensive income attributable to owners of the associates, ie it is after tax and non-controlling interests in the associates. In this example, the other comprehensive income of associates consists only of items that will not be subsequently reclassified to profit or loss. Entities whose associates' other comprehensive income includes items that may be subsequently reclassified to profit or loss are required by paragraph 82A(b) to present that amount in a separate line.

(c) The income tax relating to each item of other comprehensive income is disclosed in the notes.

(d) ...

...

(illustrating the presentation of profit or loss and other comprehensive income in two statements)

...

	20X7	20X6
<b>Profit for the year</b>	121,250	65,500
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Gains on property revaluation	933	3,367
Remeasurements of defined benefit pension plans	(667)	1,333
Share of <del>gain (loss) on property revaluation</del> <u>other comprehensive income</u> of associates <sup>(a)</sup>	400	(700)
Income tax relating to items that will not be reclassified <sup>(b)</sup>	(166)	(1,000)
	<u>500</u>	<u>3,000</u>

...

Alternatively, items of other comprehensive income could be presented, net of tax. Refer to the statement of profit or loss and other comprehensive income illustrating the presentation of income and expenses in one statement.

(a) This means the share of associates' ~~gain (loss) on property revaluation~~ other comprehensive income attributable to owners of the associates, ie it is after tax and non-controlling interests in the associates. In this example, the other comprehensive income of associates consists only of items that will not be subsequently reclassified to profit or loss. Entities whose associates' other comprehensive income includes items that may be subsequently reclassified to profit or loss are required by paragraph 82A(b) to present that amount in a separate line.

(b) The income tax relating to each item of other comprehensive income is disclosed in the notes.

The versions of IAS 1 that include examples of statement of profit or loss and other comprehensive income when IFRS 9 *Financial Instruments* is applied are amended. Deleted text is struck through and new text is underlined.

...

**(illustrating the presentation of profit or loss and other comprehensive income in one statement and the classification of expenses within profit or loss by function)**

...

	20X7	20X6
...		
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Gains on property revaluation	933	3,367
Investments in equity instruments	(24,000)	26,667
Remeasurements of defined benefit pension plans	(667)	1,333
Share of <del>gain (loss) on property revaluation</del> <u>other comprehensive income</u> of associates <sup>(b)</sup>	400	(700)
Income tax relating to items that will not be reclassified <sup>(c)</sup>	5,834	(7,667)
	(17,500)	23,000

...

Alternatively, items of other comprehensive income could be presented in the statement of profit or loss and other comprehensive income net of tax.

**Other comprehensive income for the year, after tax:**

**Items that will not be reclassified to profit or loss:**

Gains on property revaluation	600	2,700
Investments in equity instruments	(18,000)	20,000
Remeasurements of defined benefit pension plans	(500)	1,000
Share of <del>gain (loss) on property revaluation</del> <u>other comprehensive income</u> of associates	400	(700)
	(17,500)	23,000

...

(a) ...

(b) This means the share of associates' ~~gain (loss) on property revaluation~~ other comprehensive income attributable to owners of the associates, ie it is after tax and non-controlling interests in the associates. In this example, the other comprehensive income of associates consists only of items that will not be subsequently reclassified to profit or loss. Entities whose associates' other comprehensive income includes items that may be subsequently reclassified to profit or loss are required by paragraph 82A(b) to present that amount in a separate line.

(c) The income tax relating to each item of other comprehensive income is disclosed in the notes.

(d) ...

...

(illustrating the presentation of profit or loss and other comprehensive income in two statements)

...

	20X7	20X6
<b>Profit for the year</b>	121,250	65,500
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Gains on property revaluation	933	3,367
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Share of <del>gain (loss) on property revaluation</del> <u>other comprehensive income</u> of associates <sup>(a)</sup>	400	(700)
Income tax relating to items that will not be reclassified <sup>(b)</sup>	5,834	(7,667)
	<u>(17,500)</u>	<u>23,000</u>

...

Alternatively, items of other comprehensive income could be presented, net of tax. Refer to the statement of profit or loss and other comprehensive income illustrating the presentation of income and expenses in one statement.

(a) This means the share of associates' ~~gain (loss) on property revaluation~~ other comprehensive income attributable to owners of the associates, ie it is after tax and non-controlling interests in the associates. ~~In this example, the other comprehensive income of associates consists only of items that will not be subsequently reclassified to profit or loss. Entities whose associates' other comprehensive income includes items that may be subsequently reclassified to profit or loss are required by paragraph 82A(b) to present that amount in a separate line.~~

(b) The income tax relating to each item of other comprehensive income is disclosed in the notes.

## Consequential amendments to the Guidance on implementing other Standards

### IFRS 4 *Insurance Contracts*

Paragraphs IG20 and IG24 are amended. Deleted text is struck through.

#### **Assets, liabilities, income and expense**

...

IG20 IAS 1 requires ~~minimum~~ disclosures in the statement of financial position. An insurer might conclude that, to satisfy those requirements, it needs to present separately in its statement of financial position the following amounts arising from insurance contracts:

...

IG24 IAS 1 lists ~~minimum~~ line items that an entity should present in its statement of comprehensive income. It also requires the presentation of additional line items when this is necessary to present fairly the entity's financial performance. An insurer might conclude that, to satisfy these requirements, it needs to present the following amounts in its statement of comprehensive income:

(a) ...

### IFRS 8 *Operating Segments*

Paragraph IG2 is amended. Deleted text is struck through.

#### **Descriptive information about an entity's reportable segments**

IG2 ...

#### **Measurement of operating segment profit or loss, assets and liabilities (paragraph 27)**

The accounting policies of the operating segments are the same as those described in the ~~summary of~~ significant accounting policies except that pension expense for each operating segment is recognised and measured on the basis of cash payments to the pension plan. Diversified Company evaluates performance on the basis of profit or loss from operations before tax expense not including non-recurring gains and losses and foreign exchange gains and losses.

...