Australian Government
Australian Accounting Standards Board

Staff Paper

Project:	**Removal of SPFS for FP entities**	**Meeting**	AASB April 2019 (M170)
Topic:	**Possible transition approach B2 – 'Push-down' accounting**	**Agenda Item:**	6.2
		Date:	16 April 2019
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		Decision-Making:	High
		Project Status:	Developing Exposure Draft

Objective of this agenda item

1 The objective of this agenda item is for the Board to **decide** whether to provide additional transitional relief by explicitly allowing the use of amounts used in a subsidiary's consolidation reporting pack to its parent (which would be derived from acquisition date fair values) as a basis for deemed cost in the subsidiary's first mandatory GPFS-Tier 2 revised financial statements. The type of relief contemplated in this paper is referred to as 'push-down accounting'.

Consideration of the merits of introducing a practical expedient for certain entities in the form of 'push down accounting' to facilitate transition from SPFS to mandatory GPFS-Tier 2 revised

2 The transitional relief contemplated in this paper is limited to:

(a) subsidiaries that are controlled by a foreign parent that is preparing IFRS compliant consolidated financial statements; and

(b) subsidiaries with an Australian parent that is preparing AAS compliant consolidated GPFS.

3 In the absence of such a practical expedient, such subsidiaries would be prohibited from the 'event driven fair value' relief currently provided by paragraph D8 of Appendix D (read with paragraph BC95) to AASB 1[1] (described briefly in paragraph 4

[1] AASB 1 paragraph D8 states: "A first-time adopter may have established a deemed cost in accordance with previous GAAP for some or all of its assets and liabilities by measuring them at their fair value at one particular date because of an event such as a privatisation or initial public offering.
(a) If the measurement date is at or before the date of transition to Australian Accounting Standards, the entity may use such event-driven fair value measurements as deemed cost for Australian Accounting Standards at the date of that measurement.
(b) If the measurement date is after the date of transition to Australian Accounting Standards, but during the period covered by the first Australian-Accounting-Standards financial statements, the event-driven fair value measurements may be used as deemed cost when the event occurs. An entity shall

immediately below[2]) due to the fact that the subsidiaries did not recognise their consolidation pack amounts in their own SPFS. Some constituents regard the consequences of this as too onerous.

What is event driven fair value and what is its purpose?

4 In describing eligibility for the current first time adoption transitional relief that relates to this matter, paragraph D8 of Appendix D to AASB 1 notes that a first time adopter may have established a deemed cost previously for some or all of its assets and liabilities by measuring them at their fair value at one particular date because of an event such as a privatisation or initial public offering. This is referred to as 'event-driven fair value'. In those circumstances, the entity is permitted to use such event driven fair value measurements as deemed cost for compliance with AAS, after any adjustments necessary to reflect circumstances between the date of the event driven fair value and the date of transition. For example, if the entity had established fair value of its property, plant and equipment before the date of transition due to privatisation and chooses to use that value as deemed cost for the purposes of transition, then subsequent depreciation based on that fair value starts from the date on which the entity established the value until the date of transition. This then establishes deemed cost as at the date of transition.

5 This relief is available for a broader range of assets (and liabilities) than the more general deemed cost exemption in paragraphs D5-D7 of AASB 1, which is limited to property, plant and equipment, investment properties and certain intangible assets.

What are the common events to determine event driven fair value?

6 AASB 1 has identified only two examples of eligible events when the entity may have established fair values for its assets and liabilities in the past – privatisation and initial public offering. A question arises as to what other 'revaluation events' would be acceptable under paragraph D8. Based on our limited outreach to date[3] and on the basis of how we understand paragraph D8 is interpreted and applied in practice[4], other re-measurement events arguably include business acquisitions. However, even if this is accepted as a re-measurement event for the purposes of paragraph D8, it would still be necessary to apply the recognition/de-recognition

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recognise the resulting adjustments directly in retained earnings (or if appropriate, another category of equity) at the measurement date. At the date of transition to Australian Accounting Standards, the entity shall either establish the deemed cost by applying the criteria in paragraphs D5–D7 or measure assets and liabilities in accordance with the other requirements in this Standard."

AASB 1 paragraph BC95 states "Paragraph 30 of the IFRS requires disclosures about the use of fair value as deemed cost. Although the adjustment arising from the use of this exemption appears in the reconciliations discussed above, this more specific disclosure highlights it. Furthermore, this exemption differs from the other exemptions that might apply for property, plant and equipment (previous GAAP revaluation or event-driven fair value measurement). **The latter two exemptions do not lead to a restatement on transition to IFRSs because they apply only if the measurement was already used in previous GAAP financial statements.** [Emphasis added]**"**

2 To facilitate the Board's discussion it is necessary for staff to comment on various existing requirements in AAS (and therefore IFRS). It is not intended that this paper provide an official staff interpretation.

3 In discussion with one large firm, that had experience in transition of subsidiaries hitherto preparing SPFS to Tier 2 GPFS-RDR

4 Staff looked at relevant publications of some of the large accounting firms.

criteria of paragraph 10(a) and 10(b) of AASB1[5]. For example, as per paragraph 10(b) of AASB 1, the entity would not be permitted to recognise assets or liabilities that themselves would not qualify for recognition in accordance with AAS in its own revised GPFS-Tier 2 financial statements. That is, even if some of those assets and liabilities that are not allowed to be recognised in the subsidiary's own financial statements were part of the group reporting pack (e.g. goodwill related to its acquisition by the parent, certain intangible assets such as brand names associated with the subsidiary company and in-house research that were recognised by the parent entity at the time of acquisition but that did not meet the recognition criteria in the subsidiary's own financial statements; and liabilities that were recognised by the parent on the basis of acquisition accounting but were contingent liabilities in the books of the subsidiary at the date of acquisition), it would be required to derecognise them (i.e. make suitable adjustments for the effects of the business combinations).

Whether event driven fair values must have been recognised/pushed down to the subsidiary in its financial statements for the exemption currently in AASB 1 to apply?

7 The way the exemption in paragraph D8 is worded (read with paragraph BC 95) it seems to be restricted to situations where event driven fair values were actually recognised by the subsidiary in its previous SPFS [paragraph BC95 of Basis of Conclusion to IFRS 1][1].

8 Based on our limited outreach to date, AASB staff has been informed that global parent entities preparing IFRS compliant financial statements typically 'push down' fair values into the general ledgers and reflect them in the consolidation group packs of their Australian subsidiaries rather than recognise those amounts in the subsidiaries' SPFS. Further, based on the results of research[6] conducted into the reporting practices of entities preparing and lodging SPFS, which indicates 76% of companies lodging SPFS with ASIC comply with the R&M requirements of AAS[7], it is not expected that such subsidiaries would include such amounts in their SPFS. Therefore, in practice, such subsidiaries prepare IFRS compliant/consistent group packs to facilitate a parent entity's compliant consolidation of Australian operations and separately prepare and lodge SPFS with ASIC to comply with regulatory requirements in Australia.

9 In addition, research into literature available on applying IFRS 1 (AASB 1) and transitioning to IFRS[8] indicates that such event driven fair values should be recognised in the first time adopter's previous GAAP financial statements for the entity to treat such values as deemed cost in its first IFRS compliant financial statements.

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[5] Paragraph 10 of AASB 1 states, "Except… an entity shall, in its opening Australian- Accounting-Standards statement of financial position:
(a) recognise all assets and liabilities whose recognition is required by Australian Accounting Standards;
(b) not recognise items as assets or liabilities if Australian Accounting Standards do not permit such recognition;…"

[6] Refer to Draft AASB Research Report, 'Financial Reporting Practices of For-Profit Entities Lodging SPFSs - 2019'

[7] 76% entities includes 66% entities that clearly state compliance with R&M

[8] Staff looked at relevant publications of some of the large accounting firms

10 Therefore, whilst the option of using event-driven fair values in paragraph D8 could ease the transition for subsidiaries that have had their assets and liabilities measured at fair value when acquired by their parent, it does not seem that subsidiaries' would be able to utilise this option for the technical reasons noted above.

Possible practical expedient

11 A possible practical expedient that might be worth the AASB considering is for subsidiaries that have had their assets and liabilities measured at fair value by the parent entity as part of a business combination (in which the subsidiary was acquired) and are subsequently reporting IFRS-compliant information for their group reporting packs (which incorporate such fair values), could be to build on AASB 1 paragraph D8 and extend its scope to allow the carrying values in the group reporting pack to be used as the basis for deemed cost on transition (subject to complying with the recognition/de-recognition criteria as per paragraph 10(a) and 10(b) of AASB 1 as mentioned in paragraph 6 above). This practical expedient is illustrated by way of a simple worked example in Appendix 1 to this paper.

12 The advantages/reasons for, and disadvantages/reasons against the Board allowing such a practical expedient that might be put forward by those arguing for or against the additional relief are detailed in the table in paragraph 13 below.

Advantages and disadvantages of allowing carrying values in the group reporting pack as deemed cost on transition

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Advantages/reasons for
Cost considerations: Based on our limited outreach to date, AASB staff has been informed it would be cost beneficial to assist transitioning subsidiaries (even though there are less of them as a result of the doubling of the thresholds for large proprietary companies). Requiring affected subsidiaries to keep two sets of parallel accounting records i.e. one set for group reporting purposes and another set for its own mandatory GPFS-Tier 2 revised financial statements based on different exemptions and exceptions measured at its date of transition is expected to be costly[9].

[9] This is similar to the concern envisaged by the IASB in paragraphs BC59-BC60 although it is in relation to the exemption in paragraph D16(a) of AASB 1, "BC59 A subsidiary may have reported to its parent in the previous period using IFRSs without presenting a full set of financial statements in accordance with IFRSs. If the subsidiary subsequently begins to present financial statements that contain an explicit and unreserved statement of compliance with IFRSs, it becomes a first-time adopter at that time. This might compel the subsidiary to keep two parallel sets of accounting records based on different dates of transition to IFRSs, because some measurements in accordance with the IFRS depend on the date of transition to IFRSs.

BC60 In developing ED 1, the Board concluded that a requirement to keep two parallel sets of records would be burdensome and not be beneficial to users…"

Advantages/reasons for
Based on similar technical guidance already in IFRS: The IASB considered a similar situation to that addressed in paragraph IG31[10] of IFRS 1 in relation to the exemption provided in paragraph D16(a)[11] of IFRS 1/AASB 1. In particular, the exemption in paragraph D16 (a) allows a subsidiary (that transitions to AAS later than its parent) to measure its assets and liabilities at "the carrying amounts that would be included in the parent's consolidated financial statements, based on the parent's date of transition to Australian Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary". In such cases, as outlined in paragraph IG31 of AASB 1, the IASB/AASB allows subsidiaries to use information contained in their group reporting packs (i.e. irrespective of whether it's in their SPFS) to facilitate transition. Furthermore, the basis for allowing such subsidiaries to use information in group reporting packs is to ease practical problems [paragraph BC 61 and BC62[12] to IFRS 1]. Paragraph BC62 goes on to explain that the relevance and reliability of a subsidiary's first IFRS/AAS compliant financial statements is not reduced if information contained in the group reporting pack is used because it permits a measurement that is already acceptable in accordance with IFRSs/AAS in the consolidated financial statements of the parent.

[10] IG31 states "Paragraph D16 of the IFRS applies if a subsidiary becomes a first-time adopter later than its parent, for example if the subsidiary previously prepared a reporting package in accordance with IFRSs for consolidation purposes but did not present a full set of financial statements in accordance with IFRSs. This may be relevant not only when a subsidiary's reporting package complies fully with the recognition and measurement requirements of IFRSs, but also when it is adjusted centrally for matters such as review of events after the reporting period and central allocation of pension costs. For the disclosure required by paragraph 26 of the IFRS, adjustments made centrally to an unpublished reporting package are not corrections of errors. However, paragraph D16 does not permit a subsidiary to ignore misstatements that are immaterial to the consolidated financial statements of its parent but material to its own financial statements."

[11] D16 If a subsidiary becomes a first-time adopter later than its parent, the subsidiary shall, in its financial statements, measure its assets and liabilities at either:
(a) the carrying amounts that would be included in the parent's consolidated financial statements, based on the parent's date of transition to Australian Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary (this election is not available to a subsidiary of an investment entity, as defined in AASB 10, that is required to be measured at fair value through profit or loss); or…"

[12] BC61 "Some respondents to ED 1 opposed the exemption, on the following grounds:
(a) The exemption would not eliminate all differences between the group reporting package and the subsidiary's own financial statements. The reporting package does not constitute a full set of financial statements, the parent may have made adjustments to the reported numbers (for example, if pension cost adjustments were made centrally), and the group materiality threshold may be higher than for the subsidiary.
(b) The Board's objective of comparability between different entities adopting IFRSs for the first time at the same date (paragraph BC10) should apply equally to any entity, including subsidiaries, particularly if the subsidiary's debt or equity securities are publicly traded.
BC62 However, the Board retained the exemption because it will ease some practical problems. Although the exemption does not eliminate all differences between the subsidiary's financial statements and a group reporting package, it does reduce them. Furthermore, the exemption does not diminish the relevance and reliability of the subsidiary's financial statements because it permits a measurement that is already acceptable in accordance with IFRSs in the consolidated financial statements of the parent. Therefore, the Board also eliminated the proposal in ED 1 that the exemption should be conditional on the consent of minorities."

Advantages/reasons for
This practical expedient could be beneficial to a significant number of transitioning entities and thereby more effective in facilitating transition than if no additional relief were to be provided: **Small foreign controlled entities**: This expedient has the potential to provide significant relief to small proprietary companies owned by an IFRS compliant foreign parent. Despite small foreign controlled proprietary companies are being provided with significant relief under the Corporations Act 2001 section 292(2)(b) and ASIC Corporations (Foreign-Controlled Company Reports) Instrument 2017/204 from preparing financial statements, 2,924 small foreign controlled entities do prepare and lodge financial statements with ASIC[13]. Of this, 61% (1786 entities) produced SPFS. As per the Draft AASB Research Report, 'Financial Reporting Practices of For-Profit Entities Lodging SPFSs - 2019', since 76% of companies meet the R&M requirements already, the number of small foreign controlled entities that need to transition are 429 entities (i.e. 24% of 1786 entities), which is approximately a third of the total number of entities required to transition (1,289 entities as per paragraph 32 of Agenda paper 6.1). Out of these entities, it is not known how many small foreign controlled companies have IFRS compliant foreign parents – it could be a high proportion given that IFRS is adopted by most countries around the world, and the US SEC also accepts financial statements prepared in accordance with IFRS by foreign issuers.   **Large proprietary/unlisted public companies**: Apart from small foreign controlled entities there could be large proprietary companies and/or unlisted public companies with foreign IFRS compliant parents. Similarly subsidiaries of AAS compliant parents would also benefit from this relief. However, the number of entities that are subsidiaries with IFRS or AAS compliant parents for these categories are not known.
AASB 1 already has significant optionality for transition, all of which conform with IFRS: Whilst acknowledging that this contemplated practical expedient would provide an option that is inconsistent with AASB 1and thereby reduce comparability, AASB 1 already has significant optionality for transitioning entities that could lead to a lack of 'pure' comparability anyway. For example, for measuring property, plant and equipment at the date of transition, AASB 1 allows the use of deemed cost, which can be: a) fair value at the date of transition b) previous GAAP revaluation subject to certain conditions or c) event-driven fair value. Similarly, the choice of options and exemptions for other items is based on the specific facts and circumstances of the transitioning entity.   This option would facilitate transitioning entities to use fair value as previously determined in accordance with IFRS Standards, and rolling forward to the date of transition rather than requiring these entities to calculate amounts/fair value afresh at the date of transition. Whilst it is different from AASB 1, some argue it is not dissimilar, and is not fundamentally in conflict with recognition and measurement under IFRS standards.
This type of divergence from IFRS adoption policy is not unprecedented: The basis for considering this practical expedient is primarily on cost-benefit grounds to facilitate

[13] 2,924 represents total number of small foreign controlled entities that lodged financial statements with ASIC in the period 2016-18

Advantages/reasons for
transition. Although some may view this contemplated relief as against the Board's IFRS adoption policy, they see it as consistent with previous practical expedient decisions of the Board, (for example, to amend AASB 1053 allowing entities to transition to Tier 2 reporting requirements by adopting AASB 108 or AASB 1, which was also made on cost-benefit considerations[14]).

Disadvantages/reasons against
Not allowed under paragraph D8 (read with paragraph BC95) of IFRS 1 – therefore inconsistent with the Standard-Setting Framework's presumption that IFRS Standards are an appropriate base: The view expressed on this issue in publications by some accounting firms has been consistent – i.e. the exemption under paragraph D8 (read with paragraph BC95), as noted in paragraph 7 above, is only available when such event driven fair values are recognised in the books of account of the first time adopter. One possible reason of stricter application of the exemption under paragraphs D8 and BC95 and not extending the guidance available in paragraph IG31 (which relates to the exemption in paragraph D16(a) of AASB 1) to these situations is the fact that IFRS 1/AASB 1 does not allow application of exemptions available under the Standard by analogy to other items [Paragraph 18 of AASB 1]. Therefore, the very fact that the practical expedient would not be consistent with IFRS is a major disadvantage that is not outweighed by the advantages listed above, particularly given that the number of entities affected are significantly less than originally thought (due to the doubling of the large proprietary company thresholds) and those that are affected are economically significant.
Not comparable with entities that previously transitioned: Adopting the practical expedient would not provide a level playing field for entities that transition from SPFS to mandatory GPFS-Tier 2 revised with entities such as Significant Global Entities (SGEs) that would have adopted AASB 1 (without the additional relief contemplated in this paper) when mandatorily transitioning from SPFS.

Staff recommendation

14 As noted in paragraph 47 of Agenda Paper 6.1, staff's overall recommendation is to not provide any additional transitional relief for entities required to transition from SPFS to GPFS-Tier 2, particularly given the recent doubling of the large proprietary

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14 BC 17 of Amending standard 2014-2: "The Board is of the view that entities transitioning to Tier 2 reporting requirements from SPFSs for the first time should not be bound by AASB 1 for first-time application. In some cases it is envisaged that such entities might find application of Tier 2 reporting requirements retrospectively in accordance with AASB 108 more appropriate on cost-benefit grounds and should, therefore, be able to avail themselves of such a treatment. Accordingly, consistent with first time adoption requirements that existed before AASB 1 was issued, the Board decided to amend AASB 1053 to permit entities transitioning from SPFSs to Tier 2 requirements for the first time to apply those requirements retrospectively in accordance with AASB 108 without going through AASB 1, when and only when an entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its most recent SPFSs (see paragraph BC19 below). **[In contrast, the Board decided that transition from SPFSs to Tier 1 reporting requirements for the first time should only be carried out using AASB 1, irrespective of whether an entity intends claiming IFRS compliance, consistent with the Board's IFRS adoption approach for Tier 1 entities.**"[Emphasis added]

company thresholds and the absence of compelling evidence justifying the need for additional relief (despite the anecdotal evidence noted in relation to small foreign controlled entities in the X row of the table above. Staff do not think the project should be delayed whilst seeing whether compelling evidence exists – instead the Exposure Draft process itself can be used to flush out any compelling evidence.

15 However, if the Board disagrees with staff's recommendation to not propose additional transitional relief in the Exposure Draft, then staff think that the 'push down' practical expedient is the most justifiable (including above the 'relief from comparatives' discussed in Agenda Paper 6.3)Reasons for this are included in weighing up the advantages and disadvantages in the table above.

16 Having said that, also consistent with the discussion above, a subsidiary entity that elects to adopt the contemplated relief would need to:

a. account for adjustments that are made at the group level (As a reporting package does not constitute a full set of financial statements the parent may have recorded certain material IFRS adjustments centrally. Therefore additional IFRS adjustments still may be required even when the subsidiary elects to measure its assets and liabilities based amounts recognised in group packs.)

b. account for amounts that may be material from a subsidiary's perspective even if they are not made in the group reporting pack owing to the amount not being material from a group's perspective

c. make acquisition related adjustments such as not recognising assets or liabilities that are otherwise not allowed to be recognised by AAS (other than in consolidated financial statements as a result of a business acquisition), for example goodwill and contingent liabilities.

d. eliminate consolidation related adjustments such as intra-group transactions if the amounts in the group reporting pack are after such adjustments.

Information contained in the latest group reporting pack/latest set of SPFS: In our view, it should be made clear that the carrying amounts in the latest group reporting pack should be adopted as the basis for determining carrying amounts at the date of transition.

Question to the Board **Q4** Does the Board agree to provide additional transitional relief by explicitly allowing the use of amounts used in a subsidiary's consolidation reporting pack to its parent (which would be derived from acquisition date fair values) as a basis for deemed cost in the subsidiary's first mandatory GPFS-Tier 2 revised financial statements?

Appendix 1

Example: The purpose of the following example, is to provide greater insight on how the exemption contemplated in this paper might work and affect the financial statements in practice.

Assume:

- P, a UK parent, acquired 100% of Company S on 1 July 2018 and the fair values of S's assets and liabilities based on acquisition accounting per IFRS 3 *Business Combinations* are incorporated in the group reporting pack of S but not into the SPFS of S.

  The following acquired assets and liabilities (of S) were recorded by P in the group reporting pack at the date of acquisition.

	(Illustrative figures) as at 1 July 2018
Goodwill	1000
Brand name (internally generated)	300
Property, plant and Equipment	2000
Trade receivables	200
Cash and cash equivalents	150
Long term borrowings	1200
Trade payables	100
Contingent liability	350

- Company S last reported to its UK parent, P, on IFRS basis on 30 June 2020. For the purposes of the group reporting pack, S used the fair values of assets and liabilities as at 1 July 2018 and rolled forward to 30 June 2020 based on AAS/IFRS compliant/consistent accounting policies. For group reporting, cost basis accounting for PPE was followed. Further, for financial assets and liabilities, the group had adopted IFRS 9 *Financial Instruments* effective from 1 July 2019.

- The carrying values of the following items in the pack as at 30 June 2020 were:

Goodwill	1000
Brand name (internally generated)	300
Property, plant and Equipment	1850
Trade receivables	180
Cash and cash equivalents	300
Long term borrowings	1180
Trade payables	70
Contingent liability	350

- Company S will prepare its first mandatory GPFS-Tier 2 revised compliant financial statements for the year ending 30 June 2022, with the date of transition being 1 July 2020
- At the date of transition S wishes to establish the carrying amounts of the assets and liabilities acquired by P at date of transition using the fair values established and recognised in the consolidation reporting pack. The following table summarises

amounts that would be recognised in S's opening statement of financial position at the date of transition:

Amounts	As at 1 July 2018, in the pack, being acquisition date	As at 30 June 2020, in the pack, before transition	As at 1 July 2020, in its opening statement of financial position at the date of transition using the additional relief contemplated in this agenda paper	Rationale for recognising or not recognising assets and liabilities at the date of transition from the group reporting pack
Goodwill	1000	1000		Subsidiary S should not recognise goodwill in its opening statement of financial position as internally generated goodwill cannot be recognised as per AASB 138 *Intangible Assets*
Brand name	300	300		Subsidiary S should not recognise brand name in its own opening statement of financial position as internally generated brand name cannot be recognised as per AASB 138 (This is an adjustment in consolidation reporting pack of parent entity resulting from business combination)
Property, plant and Equipment	2000	1850	1850	The opening numbers are extracted from the latest group reporting pack as the accounting policy adopted by S after the event driven fair values had been pushed down by the parent are in compliance with AAS.
Trade receivables	200	180	180	
Cash and cash equivalents	150	300	300	
Long term borrowings	1200	1180	1180	
Trade payables	100	70	70	
Contingent liability	350	350		AAS does not allow recognition of contingent liabilities by the subsidiary as it is a present obligation that arises from past events but the outflow of economic resources is not probable.

- If the practical expedient as explained in this section is not provided or if S does not wish to avail itself of this practical expedient, then S would have following options to transition to AAS:

  For recognising amounts for PPE at the date of transition:

  - Disregarding what has been done in the group reporting pack, either S can adopt the deemed cost exemption at the date of transition as per paragraph D5 of Appendix D to AASB 1, which would require it to assess fair value of PPE at the date of transition unless it chooses to apply AASB 16 retrospectively from the date of acquisition of such PPE

  For financial assets and liabilities at amortised cost i.e. trade receivables, long-term borrowings and trade payables

  - Disregarding what has been done in the group reporting pack, classification of financial assets is determined based on facts and circumstances at the date of transition; and
  - Measurement of financial assets and liabilities requires retrospective application unless impracticable in which case fair value of financial assets and liabilities is determined at the date of transition. [paragraphs B8 to B8C of Appendix B to AASB 1]