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Disclosure checklist: Interim financial reports

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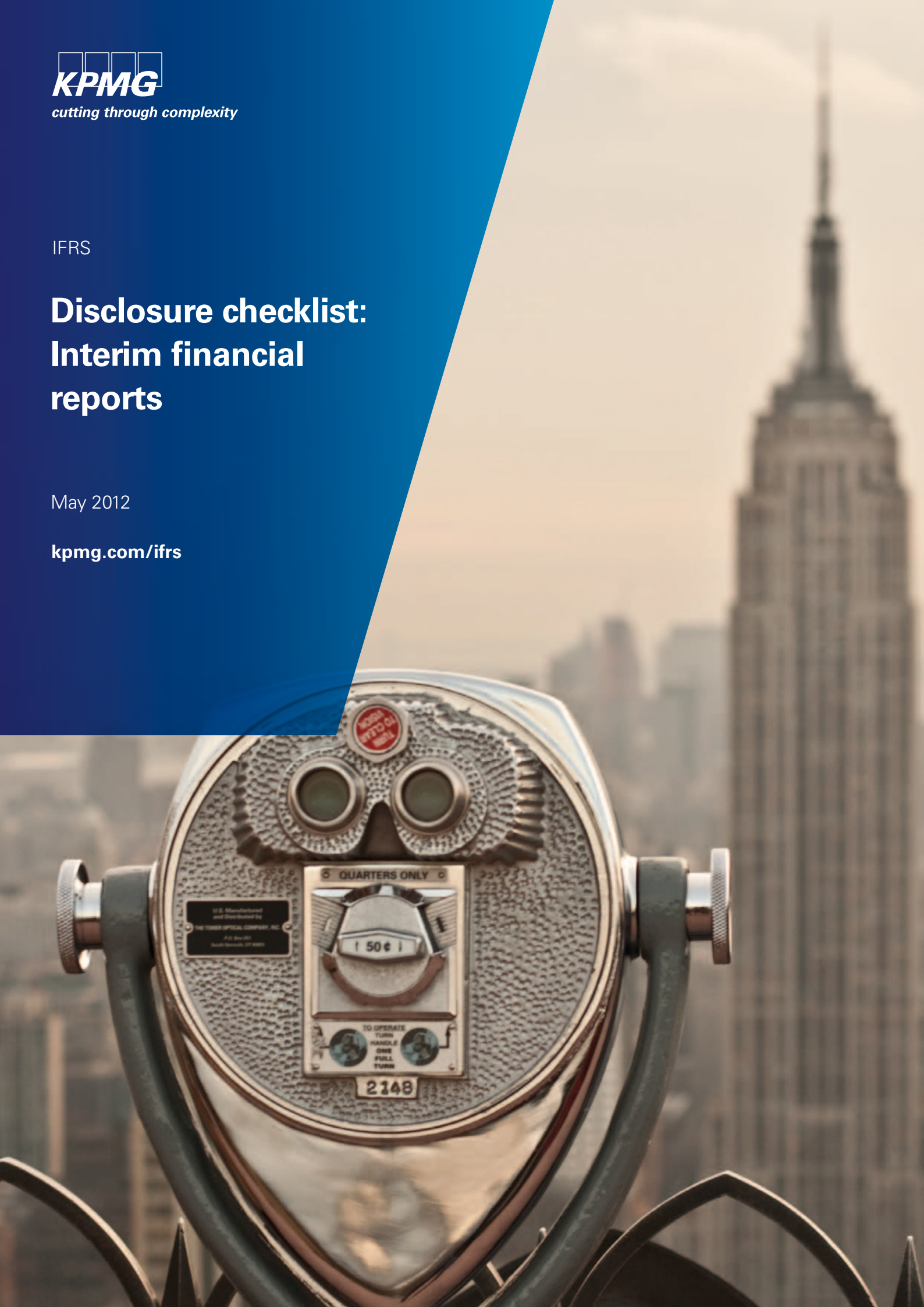

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About this publication

This checklist assists in preparing interim financial reports in accordance with IAS 34 *Interim Financial Reporting*. It lists the minimum disclosures required by IAS 34, and in limited circumstances, includes the requirements from other standards for ease of reference. In addition, it includes the minimum disclosure required in the interim financial report of a first-time adopter of IFRS.

The disclosure requirements in IAS 34 assume that users of an entity's interim financial report will have access to the most recent annual financial statements of that entity. Therefore, unless the entity presents its interim financial report in the form of a complete set of financial statements as described in IAS 1 *Presentation of Financial Statements*, it is unnecessary for the notes to the interim financial report to provide relatively insignificant updates to the information that was reported in the notes to the most recent annual financial statements. However, the entity has to ensure that the interim financial report includes all information that is relevant to understanding the entity's financial position and performance during the interim period. This may result in the disclosure of information beyond the minimum requirements when it is necessary for such an understanding.

When preparing interim financial reports in accordance with IAS 34, an entity should have regard to the disclosure requirements of other IFRSs where necessary as well as its local legal and regulatory requirements. This interim disclosure checklist does not consider any requirements of a particular jurisdiction.

This interim disclosure checklist contains disclosures only. It does not specify the scope of the IFRSs referred to or their recognition and measurement requirements. It also does not explain the terms that are used in IFRS and contained in this interim disclosure checklist.

The checklist reflects IFRS in issue at 1 May 2012 that are required to be applied by an entity with an annual reporting period beginning on 1 January 2012. It is possible that standards and interpretations could be amended after 1 May 2012, with the amendment applicable to financial statements for periods beginning on or after 1 January 2012. Any such changes and additional requirements will need to be considered when preparing interim financial reports in accordance with IAS 34.

This checklist should not be used as a substitute for referring to IFRS itself.

The checklist

Form and content

IAS 34.8

An interim financial report includes, at a minimum, the following components:

(a) a condensed statement of financial position; _____

(b) a condensed statement of comprehensive income, presented as either:

  (i) a condensed single statement; or _____

  (ii) a condensed separate income statement and a condensed statement of comprehensive income; _____

(c) a condensed statement of changes in equity; _____

(d) a condensed statement of cash flows; and _____

(e) selected explanatory notes. _____

IAS 34.9, 7

If an entity publishes a complete set of financial statements in its interim financial report, then the form and content of those statements conform to the requirements of IAS 1 *Presentation of Financial Statements* for a complete set of financial statements. The recognition and measurement guidance in IAS 34 applies also to complete financial statements for an interim period, and such statements would include all of the disclosures required by IAS 34 (particularly the selected note disclosures in paragraph 16) as well as those required by other IFRSs. _____

IAS 34.10

If an entity publishes a set of condensed financial statements in its interim financial report, then those condensed statements include, at a minimum, each of the headings and subtotals that were included in its most recent annual financial statements and the selected explanatory notes as required by IAS 34. _____

IAS 34.10

Additional line items or notes are included if their omission would make the condensed interim financial report misleading. _____

IAS 34.14

An interim financial report is prepared on a consolidated basis if the entity's most recent annual financial statements were consolidated statements. If an entity's annual financial report included the parent's separate financial statements in addition to consolidated financial statements, then IAS 34 neither requires nor prohibits the inclusion of the parent's separate statements in the entity's interim financial report. _____

Statement of financial position

IAS 34.20(a)

Interim financial report includes a statement of financial position as of the end of the current interim period and a comparative statement of financial position as of the end of the immediately preceding financial year. _____

Statement of comprehensive income

IAS 34.20(b)

Interim financial report includes statements of comprehensive income:

(a) for the current interim period, and _____

(b) cumulatively for the current financial year to date, _____

including comparative information for the comparable interim periods (current and year-to-date) of the immediately preceding financial year. _____

As permitted by IAS 1, an interim report may present for each period either a single statement of comprehensive income, or a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income (statement of comprehensive income). _____

IAS 34.8A If an entity presents the components of profit or loss in a separate income statement as described in paragraph 81 of IAS 1, then it presents interim condensed information from that separate statement. _____

IAS 34.11, 11A If an entity is within the scope of IAS 33 *Earnings per Share*, then it presents basic and diluted earnings per share in the statement that presents the components of profit or loss for the interim period. If an entity presents the components of profit or loss in a separate income statement as described in paragraph 81 of IAS 1, then it presents basic and diluted earnings per share in that separate statement. _____

Statement of changes in equity

IAS 34.20(c) Interim financial report includes a statement of changes in equity cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year. _____

Statement of cash flows

IAS 34.20(d) Interim financial report includes a statement of cash flows cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year. _____

Notes to the interim financial report

General requirements

IAS 34.15 An entity includes an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period. Information disclosed in relation to those events and transactions updates the relevant information presented in the most recent annual financial report. _____

IAS 34.15B, 15C Examples of events and transactions for which disclosures would be required if they are significant include, but are not limited to the following. Individual IFRSs provide guidance regarding disclosures for many of these items:

(a) write-down of inventories to net realisable value and the reversal of such a write-down; _____
(b) recognition of a loss from the impairment of financial assets, property, plant and equipment, intangible assets, or other assets, and the reversal of such an impairment loss; _____
(c) reversal of any provisions for the costs of restructuring; _____
(d) acquisitions and disposals of items of property, plant and equipment; _____
(e) commitments for the purchase of property, plant and equipment; _____
(f) litigation settlements; _____
(g) corrections of prior period errors; _____
(h) changes in the business or economic circumstances that affect the fair value of the entity's financial assets and financial liabilities, whether those assets or liabilities are recognised at fair value or amortised cost; _____
(i) any loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period; _____
(j) related party transactions; _____
(k) transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments; _____
(l) changes in the classification of financial assets as a result of a change in the purpose or use of those assets; and _____
(m) changes in contingent liabilities or contingent assets. _____

IAS 34.15 Additional notes are included if their omission would make the condensed interim financial statements misleading. Although not specified in IAS 34, some examples of items that may be material to an understanding of the interim period include:

(a) changes in significant judgements and assumptions made by management, as well as areas of estimation uncertainty; _____

(b) disclosures required by IFRS 7 *Financial Instruments: Disclosures*, if changes in an entity's financial risk management objectives and policies or in the nature and extent of risks arising from financial instruments occur during the interim period; _____

(c) disclosures required by IAS 36 *Impairment of Assets*, if an entity's annual impairment testing of goodwill and intangible assets with indefinite useful lives occurs during an interim period; _____

(d) significant changes in the effective income tax rate; _____

(e) significant changes in the carrying amounts of assets and liabilities measured at fair value; _____

(f) disclosures required by IFRS 2 *Share-based Payment*, if an entity grants a share-based payment award during the current interim period; _____

(g) disclosures required by IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, if an entity has operations that are discontinued at the end of the interim reporting period or are disposed of during the interim period, or non-current assets or a disposal group classified as held for sale at the end of the interim reporting period; _____

(h) acquisitions, disposals and commitments for the purchase of significant categories of non-current assets, in addition to property, plant and equipment; and _____

(i) material movements in provisions during the interim period. _____

Statement of compliance

IAS 34.19 If an entity's interim financial report is in compliance with IAS 34, then that fact is disclosed. An interim financial report is not described as complying with IFRS unless it complies with all the requirements of IFRS. _____

Accounting policies

IAS 34.16A(a) A statement that the same accounting policies and methods of computation are followed in the interim financial report as compared with the most recent annual financial statements or, if those policies or methods have been changed, then a description of the nature and effect of the change. _____

IAS 34.43 A change in accounting policy, other than one for which the transition is specified by a new IFRS, is reflected by:

(a) restating the financial statements of prior interim periods of the current financial year and the comparable interim periods of any prior financial years that will be restated in the annual financial statements in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*; or _____

(b) when it is impracticable to determine the cumulative effect at the beginning of the financial year of applying a new accounting policy to all prior periods, adjusting the financial statements of prior interim periods of the current financial year, and comparable interim periods of prior financial years to apply the new accounting policy prospectively from the earliest date practicable. _____

Segment information

IAS 34.16A(g) An entity within the scope of IFRS 8 *Operating Segments* discloses the following segment information in its interim financial report:

IAS 34.16A(g)(i) (a) revenues from external customers, if included in the measure of segment profit or loss reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker; _____

IAS 34.16A(g)(ii) (b) intersegment revenues, if included in the measure of segment profit or loss reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker; _____

IAS 34.16A(g)(iii) (c) a measure of segment profit or loss; _____

IAS 34.16A(g)(iv) (d) total assets for which there has been a material change from the amount disclosed in the last annual financial statements; _____

IAS 34.16A(g)(v) (e) a description of differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss; and _____

IAS 34.16A(g)(vi) (f) a reconciliation of the total of the reportable segments' measures of profit or loss to the entity's profit or loss before tax expense (tax income) and discontinued operations. However, if an entity allocates to reportable segments items such as tax expense (tax income), then the entity may reconcile the total of the segments' measures of profit or loss to profit or loss after those items. Material reconciling items are separately identified and described in that reconciliation. _____

IFRS 8.29 If an entity changes the structure of its internal organisation in a manner that causes the composition of its reportable segments to change, then the corresponding information for earlier periods, including interim periods, is restated unless the information is not available and the cost to develop it would be excessive. The determination of whether the information is not available and the cost to develop it would be excessive is made for each individual item of disclosure. Following a change in the composition of its reportable segments, an entity discloses whether it has restated the corresponding items of segment information for earlier periods. _____

IFRS 8.30 If an entity has changed the structure of its internal organisation in a manner that causes the composition of its reportable segments to change and if segment information for earlier periods, including interim periods, is not restated to reflect the change, then the entity discloses in the year in which the change occurs segment information for the current period on both the old basis and the new basis of segmentation, unless the necessary information is not available and the cost to develop it would be excessive. _____

Changes in composition of the entity

IAS 34.16A(i) Disclose the effect of changes in the composition of the entity during the interim period, including:

(a) business combinations; _____

(b) obtaining or losing control of subsidiaries and long-term investments; _____

(c) restructurings; and _____

(d) discontinued operations. _____

In the case of business combinations, the entity discloses the information required by IFRS 3 *Business Combinations*. These required disclosures are included in the appendices to this checklist as indicated below. _____

For business combinations effected during the period, the entity discloses the information listed in **Appendix I**. _____

If the entity has adjustments recognised in the current period relating to business combinations effected during previous reporting periods, the entity discloses the information listed in **Appendix II**. _____

For business combinations effected after the end of the period but before the interim financial report is authorised for issue, the entity considers disclosing the information listed in **Appendix III**. _____

Seasonality

IAS 34.16A(b) Provide explanatory comments about the seasonality or cyclicality of interim operations. _____

IAS 34.21 For an entity whose business is highly seasonal, financial information for the 12 months up to the end of the interim period and comparative information for the prior 12-month period may be useful. Accordingly, entities whose business is highly seasonal are encouraged to consider reporting such information, in addition to the statements of comprehensive income, changes in equity and cash flows for the current interim period and cumulatively for the current financial year to date. _____

Estimates

IAS 34.16A(d) Disclose the nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years. _____

Subsequent events

IAS 34.16A(h) Disclose events after the interim period that have not been reflected in the financial statements for the interim period. _____

Other disclosures

IAS 34.16A(c) Disclose the nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence. _____

IAS 34.16A(e) Disclose issues, repurchases, and repayments of debt and equity securities. _____

IAS 34.16A(f) Disclose dividends paid (aggregate or per share) separately for ordinary shares and other shares. _____

Appendices

Appendix I – Business combinations effected during the period

This appendix sets out the disclosures required by IAS 34.16A(i) for business combinations effected during the interim reporting period.

IFRS 3.59	An acquirer discloses information that enables users of its interim financial report to evaluate the nature and financial effect of business combinations that were effected during the period.	_____
IFRS 3.63	If the specific disclosures below do not meet the above objective, then the entity discloses whatever additional information is necessary to meet those objectives.	_____
IFRS 3.60, B64	An acquirer discloses at least the following information for each business combination that was effected during the period:	
IFRS 3.B64(a)	(a) the name and a description of the acquiree;	_____
IFRS 3.B64(b)	(b) the acquisition date;	_____
IFRS 3.B64(c)	(c) the percentage of voting equity interests acquired;	_____
IFRS 3.B64(d)	(d) the primary reasons for the business combination and a description of how the acquirer obtained control of the acquiree;	_____
IFRS 3.B64(e)	(e) a qualitative description of the factors that make up the goodwill recognised, such as expected synergies from combining operations of the acquiree and the acquirer, intangible assets that do not qualify for separate recognition or other factors;	_____
IFRS 3.B64(f)	(f) the acquisition-date fair value of the total consideration transferred and the acquisition-date fair value of each major class of consideration, such as:	
IFRS 3.B64(f)(i)	(i) cash;	_____
IFRS 3.B64(f)(ii)	(ii) other tangible or intangible assets, including a business or subsidiary of the acquirer;	_____
IFRS 3.B64(f)(iii)	(iii) liabilities incurred, e.g. a liability for contingent consideration; and	_____
IFRS 3.B64(f)(iv)	(iv) equity interests of the acquirer, including the number of instruments or interests issued or issuable and the method of determining the fair value of those instruments or interests;	_____
IFRS 3.B64(g)	(g) for contingent consideration arrangements and indemnification assets:	
IFRS 3.B64(g)(i)	(i) the amount recognised as of the acquisition date;	_____
IFRS 3.B64(g)(ii)	(ii) a description of the arrangement and the basis for determining the amount of the payment; and	_____
IFRS 3.B64(g)(iii)	(iii) an estimate of the range of outcomes (undiscounted) or, if a range cannot be estimated, then the acquirer discloses that fact and the reasons why a range cannot be estimated. If the maximum amount of the payment is unlimited, then the acquirer discloses that fact;	_____
IFRS 3.B64(h)	(h) for acquired receivables (and provided by each major class of receivable):	
IFRS 3.B64(h)(i)	(i) the fair value of the receivables;	_____
IFRS 3.B64(h)(ii)	(ii) the gross contractual amounts receivable; and	_____
IFRS 3.B64(h)(iii)	(iii) the best estimate at the acquisition date of the contractual cash flows not expected to be collected;	_____
IFRS 3.B64(i)	(i) the amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed;	_____
IFRS 3.B64(j)	(j) for each contingent liability recognised in a business combination:	
IAS 37.85(a)	(i) a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits;	_____

IAS 37.85(b)		(ii) an indication of the uncertainties about the amount or timing of those outflows. When necessary to provide adequate information, disclose the major assumptions made concerning future events; and	_____
IAS 37.85(c)		(iii) the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.	_____
IFRS 3.B64(j)		If a contingent liability is not recognised because its fair value cannot be measured reliably, then the acquirer discloses:	
IFRS 3.B64(j)(i), IAS 37.86		(i) an estimate of its financial effect, measured under paragraphs 36 to 52 of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*;	_____
IFRS 3.B64(j)(i), IAS 37.86		(ii) an indication of the uncertainties relating to the amount or timing of any outflow;	_____
IFRS 3.B64(j)(i), IAS 37.86		(iii) the possibility of reimbursement; and	_____
IFRS 3.B64(j)(ii)		(iv) the reasons why the liability cannot be measured reliably;	_____
IFRS 3.B64(k)	(k)	the total amount of goodwill that is expected to be deductible for tax purposes;	_____
IFRS 3.B64(l)	(l)	for transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the business combination in accordance with paragraph 51 of IFRS 3:	
IFRS 3.B64(l)(i)		(i) a description of each transaction;	_____
IFRS 3.B64(l)(ii)		(ii) how the acquirer accounted for each transaction;	_____
IFRS 3.B64(l)(iii)		(iii) the amounts recognised for each transaction and the line item in the interim financial report in which each amount is recognised; and	_____
IFRS 3.B64(l)(iv)		(iv) if the transaction is the effective settlement of a pre-existing relationship, then the acquirer discloses the method used to determine the settlement amount;	_____
IFRS 3.B64(m)	(m)	the disclosure of separately recognised transactions required by paragraph B64(l) of IFRS 3 includes:	
		(i) the amount of acquisition-related costs;	_____
		(ii) the amount of those acquisition-related costs recognised as an expense;	_____
		(iii) the line item in the statement of comprehensive income in which those acquisition-related costs are recognised;	_____
		(iv) the amount of any issue costs not recognised as an expense; and	_____
		(v) how any issue costs not recognised as an expense have been recognised;	_____
IFRS 3.B64(n)	(n)	in a bargain purchase:	
IFRS 3.B64(n)(i)		(i) the amount of any gain recognised in accordance with paragraph 34 of IFRS 3 and the line item in the statement of comprehensive income in which the gain is recognised; and	_____
IFRS 3.B64(n)(ii)		(ii) a description of the reasons why the transaction resulted in a gain;	_____
IFRS 3.B64(o)	(o)	for each business combination in which the acquirer holds less than 100 percent of the equity interests in the acquiree at the acquisition date:	
IFRS 3.B64(o)(i)		(i) the amount of the non-controlling interests in the acquiree recognised at the acquisition date and the measurement basis for that amount; and	_____
IFRS 3.B64(o)(ii)		(ii) for each non-controlling interests in an acquiree measured at fair value, the valuation techniques and key model inputs used for determining that value;	_____
IFRS 3.B64(p)	(p)	in a business combination achieved in stages:	
IFRS 3.B64(p)(i)		(i) the acquisition-date fair value of the equity interest in the acquiree held by the acquirer immediately before the acquisition date; and	_____
IFRS 3.B64(p)(ii)		(ii) the amount of any gain or loss recognised as a result of remeasuring to fair value the equity interest in the acquiree held by the acquirer before the business combination (see paragraph 42 of IFRS 3) and the line item in the statement of comprehensive income in which that gain or loss is recognised; and	_____

IFRS 3.B64(q)	(q) the following information:	
IFRS 3.B64(q)(i)	(i) the amounts of revenue and profit or loss of the acquiree since the acquisition date included in the consolidated statement of comprehensive income for the reporting period; and	_____
IFRS 3.B64(q)(ii)	(ii) the revenue and profit or loss of the combined entity for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period.	_____
IFRS 3.B64(q)	If disclosure of any of the information required by paragraph B64(q) of IFRS 3 is impracticable, then the acquirer discloses that fact and explains why the disclosure is impracticable (IFRS 3 uses the term "impracticable" with the same meaning as in IAS 8.)	_____
IFRS 3.B65	For individually immaterial business combinations occurring during the reporting period that are material collectively, the acquirer discloses in aggregate the information required by paragraphs B64(e) to (q) of IFRS 3.	_____

Appendix II – Adjustments recognised in the current reporting period relating to business combinations effected in previous reporting periods

This appendix sets out the disclosures required by IAS 34.16A(i) for adjustments recognised in the current interim reporting period relating to business combinations effected in previous reporting periods.

IFRS 3.61 An acquirer discloses information that enables users of its interim financial report to evaluate the financial effects of adjustments recognised in the current reporting period that relate to business combinations that occurred in the period or previous reporting periods. _____

IFRS 3.63 If the specific disclosures below do not meet the above objective, then the entity discloses whatever additional information is necessary to meet those objectives. _____

IFRS 3.62, B67 An acquirer discloses at least the following information for each material business combination or in the aggregate for individually immaterial business combinations that are material collectively:

IFRS 3.B67(a) (a) if the initial accounting for a business combination is incomplete (see paragraph 45 of IFRS 3) for particular assets, liabilities, non-controlling interests or items of consideration and therefore the amounts recognised in the interim financial report for the business combination have been determined only provisionally, then the acquirer discloses:

IFRS 3.B67(a)(i) (i) the reasons why the initial accounting for the business combination is incomplete; _____

IFRS 3.B67(a)(ii) (ii) the assets, liabilities, equity interests or items of consideration for which the initial accounting is incomplete; and _____

IFRS 3.B67(a)(iii) (iii) the nature and amount of any measurement period adjustments recognised during the reporting period in accordance with paragraph 49 of IFRS 3. _____

IFRS 3.B67(b) (b) for each reporting period after the acquisition date until the entity collects, sells or otherwise loses the right to a contingent consideration asset, or until the entity settles a contingent consideration liability or the liability is cancelled or expires:

IFRS 3.B67(b)(i) (i) any changes in the recognised amounts, including any differences arising upon settlement; _____

IFRS 3.B67(b)(ii) (ii) any changes in the range of outcomes (undiscounted) and the reasons for those changes; and _____

IFRS 3.B67(b)(iii) (iii) the valuation techniques and key model inputs used to measure contingent consideration. _____

IFRS 3.B67(c) (c) for contingent liabilities recognised in a business combination the acquirer discloses:

IFRS 3.B67(c), IAS 37.84(a) (i) the carrying amount at the beginning and end of the period; _____

IFRS 3.B67(c), IAS 37.84(b) (ii) additional provisions made in the period, including increases to existing provisions; _____

IFRS 3.B67(c), IAS 37.84(c) (iii) amounts used (i.e. incurred and charged against the provision) during the period; _____

IFRS 3.B67(c), IAS 37.84(d) (iv) unused amounts reversed during the period; _____

IFRS 3.B67(c), IAS 37.84(e)	(v)	the increase during the period in the discontinued amount arising from the passage of time and the effect of any change in the discount rate;	_____
IFRS 3.B67(c), IAS 37.85(a)	(vi)	a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits;	_____
IFRS 3.B67(c), IAS 37.85(b)	(vii)	an indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an entity discloses the major assumptions made concerning future events; and	_____
IFRS 3.B67(c), IAS 37.85(c)	(viii)	the amount of any expected reimbursement, stating the amount of any asset that has been recognised for the expected reimbursement.	_____
IFRS 3.B67(d)	(d)	a reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period showing:	
IFRS 3.B67(d)(i)	(i)	the gross amount and accumulated impairment losses at the beginning of the reporting period;	_____
IFRS 3.B67(d)(ii)	(ii)	additional goodwill recognised during the reporting period, except goodwill included in a disposal group that, on acquisition, meets the criteria to be classified as held for sale in accordance with IFRS 5;	_____
IFRS 3.B67(d)(iii)	(iii)	adjustments resulting from the subsequent recognition of deferred tax assets during the period in accordance with paragraph 67 of IFRS 3;	_____
	(iv)	separately:	_____
IFRS 3.B67(d)(iv)		– goodwill included in a disposal group classified as held for sale in accordance with IFRS 5;	_____
IFRS 3.B67(d)(iv)		– goodwill derecognised during the reporting period without having previously been included in a disposal group classified as held for sale;	_____
IFRS 3.B67(d)(v)	(v)	impairment losses recognised during the reporting period in accordance with IAS 36;	_____
IFRS 3.B67(d)(vi)	(vi)	net exchange differences arising during the reporting period in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*;	_____
IFRS 3.B67(d)(vii)	(vii)	any other changes in the carrying amount during the reporting period; and	_____
IFRS 3.B67(d)(viii)	(viii)	the gross amount and accumulated impairment losses at the end of the reporting period;	_____
IFRS 3.B67(e)	(e)	the amount and an explanation of any gain or loss recognised in the current reporting period that both:	
IFRS 3.B67(e)(i)	(i)	relates to the identifiable assets acquired or liabilities assumed in a business combination that was effected in the current or previous reporting periods; and	_____
IFRS 3.B67(e)(ii)	(ii)	is of such a size, nature or incidence that disclosure is relevant to understanding the combined entity's interim financial report.	_____

Appendix III – Business combinations effected after the end of the reporting period but before the interim financial report is authorised for issue

When a business combination is effected after the end of the interim reporting period but before the interim financial report is authorised for issue, IAS 34 does not explicitly require the disclosures under IFRS 3 in this regard. However, in accordance with IAS 34.15 and 15C, an entity considers whether such disclosures are significant to an understanding of the changes in the entity's financial position and performance since the end of the last annual reporting period.

IFRS 3.59	An acquirer discloses information that enables users of its interim financial report to evaluate the nature and financial effect of business combinations that were effected after the end of the reporting period but before the interim financial report is authorised for issue.	_____
IFRS 3.63	If the specific disclosures below do not meet the above objective, then the entity discloses whatever additional information is necessary to meet those objectives.	_____
IFRS 3.60, B64	An acquirer discloses at least the following information for each business combination that was effected after the end of the reporting period but before the interim financial report is authorised for issue:	
IFRS 3.B64(a)	(a) the name and description of the acquiree;	_____
IFRS 3.B64(b)	(b) the acquisition date;	_____
IFRS 3.B64(c)	(c) the percentage of voting equity interests acquired;	_____
IFRS 3.B64(d)	(d) the primary reasons for the business combination and a description of how the acquirer obtained control of the acquiree;	_____
IFRS 3.B64(e)	(e) a qualitative description of the factors that make up the goodwill recognised, such as expected synergies from combining operations of the acquiree and the acquirer, intangible assets that do not qualify for separate recognition or other factors;	_____
IFRS 3.B64(f)	(f) the acquisition-date fair value of the total consideration transferred and the acquisition-date fair value of each major class of consideration, such as:	
IFRS 3.B64(f)(i)	(i) cash;	_____
IFRS 3.B64(f)(ii)	(ii) other tangible or intangible assets, including a business or subsidiary of the acquirer;	_____
IFRS 3.B64(f)(iii)	(iii) liabilities incurred, e.g. a liability for contingent consideration; and	_____
IFRS 3.B64(f)(iv)	(iv) equity interests of the acquirer, including the number of instruments or interests issued or issuable and the method of determining the fair value of those instruments or interests;	_____
IFRS 3.B64(g)	(g) for contingent consideration arrangements and indemnification assets:	
IFRS 3.B64(g)(i)	(i) the amount recognised as of the acquisition date;	_____
IFRS 3.B64(g)(ii)	(ii) a description of the arrangement and the basis for determining the amount of the payment; and	_____
IFRS 3.B64(g)(iii)	(iii) an estimate of the range of outcomes (undiscounted) or, if a range cannot be estimated then the acquirer discloses that fact and the reasons why a range cannot be estimated. If the maximum amount of the payment is unlimited, then the acquirer discloses that fact;	_____
IFRS 3.B64(h)	(h) for acquired receivables (and provided by each major class of receivable):	
IFRS 3.B64(h)(i)	(i) the fair value of the receivables;	_____
IFRS 3.B64(h)(ii)	(ii) the gross contractual amounts receivable; and	_____

IFRS 3.B64(h)(iii)		(iii) the best estimate at the acquisition date of the contractual cash flows not expected to be collected;	_____
IFRS 3.B64(i)	(i)	the amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed;	_____
IFRS 3.B64(j)	(j)	for each contingent liability recognised in a business combination:	
IAS 37.85(a)		(i) a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits;	_____
IAS 37.85(b)		(ii) an indication of the uncertainties about the amount or timing of those outflows. When necessary to provide adequate information, disclose the major assumptions made concerning future events; and	_____
IAS 37.85(c)		(iii) the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement;	_____
IFRS 3.B64(j)		If a contingent liability is not recognised because its fair value cannot be measured reliably, then the acquirer discloses:	
IFRS 3.B64(j)(i), IAS 37.86		(i) an estimate of its financial effect, measured under paragraphs 36 to 52 of IAS 37;	_____
IFRS 3.B64(j)(i), IAS 37.86		(ii) an indication of the uncertainties relating to the amount or timing of any outflow; and	_____
IFRS 3.B64(j)(i), IAS 37.86		(iii) the possibility of reimbursement; and	_____
IFRS 3.B64(j)(ii)		(iv) the reasons why the liability cannot be measured reliably;	_____
IFRS 3.B64(k)	(k)	the total amount of goodwill that is expected to be deductible for tax purposes;	_____
IFRS 3.B64(l)	(l)	for transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the business combination in accordance with paragraph 51 of IFRS 3:	
IFRS 3.B64(l)(i)		(i) a description of each transaction;	_____
IFRS 3.B64(l)(ii)		(ii) how the acquirer accounted for each transaction;	_____
IFRS 3.B64(l)(iii)		(iii) the amounts recognised for each transaction and the line item in the interim financial report in which each amount is recognised; and	_____
IFRS 3.B64(l)(iv)		(iv) if the transaction is the effective settlement of a pre-existing relationship, then the acquirer discloses the method used to determine the settlement amount;	_____
IFRS 3.B64(m)	(m)	the disclosure of separately recognised transactions required by paragraph B64(l) of IFRS 3 includes:	
		(i) the amount of acquisition-related costs;	_____
		(ii) the amount of those acquisition-related costs recognised as an expense;	_____
		(iii) the line item in the statement of comprehensive income in which those acquisition-related costs are recognised;	_____
		(iv) the amount of any issue costs not recognised as an expense; and	_____
		(v) how any issue costs not recognised as an expense have been recognised;	_____
IFRS 3.B64(n)	(n)	in a bargain purchase:	
IFRS 3.B64(n)(i)		(i) the amount of any gain recognised in accordance with paragraph 34 of IFRS 3 and the line item in the statement of comprehensive income in which the gain is recognised; and	_____
IFRS 3.B64(n)(ii)		(ii) a description of the reasons why the transaction resulted in a gain;	_____
IFRS 3.B64(o)	(o)	for each business combination in which the acquirer holds less than 100 percent of the equity interests in the acquiree at the acquisition date:	
IFRS 3.B64(o)(i)		(i) the amount of the non-controlling interests in the acquiree recognised at the acquisition date and the measurement basis for that amount; and	_____
IFRS 3.B64(o)(ii)		(ii) for each non-controlling interests in an acquiree measured at fair value, the valuation techniques and key model inputs used for determining that value;	_____

IFRS 3.B64(p)	(p) in a business combination achieved in stages:	
IFRS 3.B64(p)(i)	(i) the acquisition-date fair value of the equity interest in the acquiree held by the acquirer immediately before the acquisition date; and	_____
IFRS 3.B64(p)(ii)	(ii) the amount of any gain or loss recognised as a result of remeasuring to fair value the equity interest in the acquiree held by the acquirer before the business combination (see paragraph 42 of IFRS 3) and the line item in the statement of comprehensive income in which that gain or loss is recognised; and	_____
IFRS 3.B64(q)	(q) the following information:	
IFRS 3.B64(q)(i)	(i) the amounts of revenue and profit or loss of the acquiree since the acquisition date included in the consolidated statement of comprehensive income for the reporting period; and	_____
IFRS 3.B64(q)(ii)	(ii) the revenue and profit or loss of the combined entity for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period.	_____
IFRS 3.B66	If the initial accounting for the business combination is incomplete at the time the interim financial report is authorised for issue, then the acquirer describes which disclosures could not be made and the reasons why they cannot be made.	_____
IFRS 3.B64(q)	If disclosure of any of the information required by paragraph B64(q) of IFRS 3 is impracticable, then the acquirer discloses that fact and explains why the disclosure is impracticable (IFRS 3 uses the term "impracticable" with the same meaning as in IAS 8).	_____

Appendix IV – First-time adoption

This appendix sets out the minimum disclosure requirements if a first-time adopter of IFRS presents an interim financial report for part of the period covered by its first IFRS financial statements.

Form and content

IFRS 1.33 If a first-time adopter did not, in its most recent annual financial statements in accordance with previous GAAP, disclose information material to an understanding of the current interim period, then it discloses that information or includes a cross-reference to another published document that includes it. _____

IFRS 1.21 If a first-time adopter publishes a complete set of financial statements as its interim financial report for part of the period covered by its first IFRS financial statements, then the form and content of those statements conform to the requirements of IAS 1 for a complete set of financial statements. To comply with IAS 1, the first-time adopter's interim financial report includes at least the following components:

(a) three statements of financial position; _____
(b) two statements of comprehensive income; _____
(c) two separate income statements, if presented; _____
(d) two statements of cash flows; _____
(e) two statements of changes in equity; and _____
(f) related notes, including comparative information. _____

Reconciliations

IFRS 1.23 An entity explains how the transition from previous GAAP to IFRS affected its reported financial position, financial performance and cash flows. _____

IFRS 1.32 An interim financial report prepared in accordance with IAS 34 for part of the period covered by a first-time adopter's first IFRS financial statements includes the following.

IFRS 1.32(a) (a) In each such interim financial report, provided an interim financial report for the comparable interim period of the immediately preceding financial year was presented:
  (i) a reconciliation of equity in accordance with previous GAAP at the end of that comparable interim period to equity under IFRS at that date; and _____
  (ii) a reconciliation to total comprehensive income in accordance with IFRS for that comparable interim period (current and year-to-date). The starting point for that reconciliation is total comprehensive income in accordance with previous GAAP for that period or, if a first-time adopter did not report such a total, then profit or loss in accordance with previous GAAP. _____

IFRS 1.32(b) (b) In addition to the reconciliations required by (a), in the *first* interim financial report, the following reconciliations supplemented by the details required by paragraphs 25 and 26 of IFRS 1 *First-time Adoption of International Financial Reporting Standards* or a cross-reference to another published document that includes:

IFRS 1.24(a) – reconciliations of equity reported under previous GAAP to equity under IFRS for both of the following dates:

IFRS 1.24(a)(i) (i) the date of transition to IFRS; and _____

IFRS 1.24(a)(ii) (ii) the end of the latest period presented in the entity's most recent annual financial statements under previous GAAP; and _____

IFRS 1.24(b)

– reconciliation to total comprehensive income under IFRS for the latest period in the entity's most recent annual financial statements. The starting point for that reconciliation is total comprehensive income under previous GAAP for the same period, or if the entity did not report such a total, then profit or loss under previous GAAP. _____

IFRS 1.25

If an entity presented a statement of cash flows under its previous GAAP, then it also explains the material adjustments to the statement of cash flows. _____

IFRS 1.26

An entity distinguishes errors made under its previous GAAP from changes in accounting policies in the reconciliations required by paragraph 24(a) and (b) of IFRS 1. _____

Changes in accounting policies or use of exemptions

IFRS 1.32(c)

If an entity changes its accounting policies or its use of the exemptions contained in IFRS 1, then it explains the changes in the interim financial report in accordance with paragraph 23 of IFRS 1 and updates the reconciliations required by paragraph 32(a) and 32(b) of IFRS 1. _____

Non-IFRS comparative information and historical summaries

IFRS 1.22

If an entity voluntarily includes historical summaries of selected data or comparative information in accordance with previous GAAP in addition to the comparative information required by IAS 1, then it:

(a) labels the previous GAAP information prominently as not being prepared in accordance with IFRS; and _____

(b) discloses the nature of the main adjustments that would make it comply with IFRS; quantitative information of those adjustments is not required. _____

Other KPMG publications

A more detailed discussion of the general accounting issues that arise from the application of IFRS can be found in our publication *Insights into IFRS*. In addition, we have a range of other publications that can help you further, including:

- IFRS compared to US GAAP
- Illustrative Financial Statements for annual and interim periods, and for selected industries
- IFRS Handbooks, which include extensive interpretative guidance and illustrative examples to elaborate or clarify the practical application of a standard
- New on the Horizon publications, which discuss consultation papers
- IFRS Newsletters, which highlight recent developments
- IFRS Practice Issue publications, which discuss specific requirements of pronouncements
- First Impressions publications, which discuss new pronouncements
- Disclosure checklist for annual periods.

IFRS-related technical information is also available at kpmg.com/ifrs.

For access to an extensive range of accounting, auditing and financial reporting guidance and literature, visit KPMG's Accounting Research Online. This web-based subscription service can be a valuable tool for anyone who wants to stay informed in today's dynamic environment. For a free 15-day trial, go to aro.kpmg.com and register today.

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