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IFRS® Standards Exposure Draft ED/2019/7
Illustrative Examples

General Presentation and Disclosures

Comments to be received by 30 September 2020

Comment deadline changed from 30 June 2020 because of the covid-19 pandemic

Includes a comparison of proposals with requirements in IAS 1 *Presentation of Financial Statements*

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Illustrative Examples on

Exposure Draft

General Presentation and Disclosures

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These Illustrative Examples accompany the Exposure Draft ED/2019/7 *General Presentation and Disclosures* (issued December 2019; see separate booklet). The proposals may be modified in the light of comments received before being issued in final form. Comments need to be received by 30 September 2020 and should be submitted in writing to the address below, by email to commentletters@ifrs.org or electronically using our 'Open for comment documents' page at: https://www.ifrs.org/projects/open-for-comment/.

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Exposure Draft
IFRS X *General Presentation and Disclosures*
Illustrative Examples

These examples accompany, but are not part of, [draft] IFRS X. They illustrate aspects of [draft] IFRS X but are not intended to provide interpretative guidance.

Introduction

IE1 [Draft] IFRS X sets out general and specific requirements for the presentation and disclosures of information in financial statements. These examples illustrate ways in which an entity can meet the presentation and disclosure requirements of [draft] IFRS X. As discussed in paragraphs 7–8, 10, 12, 83 and 97 of [draft] IFRS X, an entity may change the order of presentation or disclosures, the titles of statements and the descriptions used for line items, subject to compliance with the requirements in IFRS Standards for the presentation and disclosure of financial information.

IE2 The examples are not intended to illustrate all aspects of IFRS Standards, nor do they constitute a complete set of financial statements. The examples do not show all the line items that could be required of an entity applying paragraphs 65 and 82 of [draft] IFRS X.

IE3 The examples are structured as follows:

(a) Part I—Examples of presentation and disclosures. This part provides examples of the statements of financial performance, financial position and changes in equity for a manufacturer that neither invests in the course of its main business activities, nor does it provide financing to customers as a main business activity. Therefore, this entity does not apply the requirements in paragraph 48 or 51 of [draft] IFRS X. Rather, it classifies all income and expenses from investments in the investing category, and all income and expenses from cash and cash equivalents as well as all income and expenses from financing activities in the financing category. Part I also provides examples of some notes to the statements set out.

(b) Part II—Further examples of statement(s) of financial performance. This part provides examples of (a section of) the statement(s) of financial performance for an entity that either invests in the course of its main business activities or provides financing to customers as a main business activity (or both). Therefore, such an entity would apply the requirements in either paragraph 48 or 51 of [draft] IFRS X (or both), and classify some income and expenses in the operating category, which otherwise would be classified in the investing or financing category.

(c) Part III—Capital disclosures. This part provides examples illustrating the application of paragraphs 111–112 of [draft] IFRS X.

Part I—Examples of presentation and disclosures

IE4 XYZ Group is a manufacturer that does not invest in assets that generate a return individually and largely independently of other resources it holds, nor does it provide financing to customers as a main business activity. This part provides the following examples of some of XYZ Group's primary financial statements and notes:

(a) statements of financial performance (a statement of profit or loss and a statement presenting comprehensive income);

(b) a statement of financial position;

(c) a statement of changes in equity;

(d) Note 1—Analysis of operating expenses by nature (required by paragraph 72 of [draft] IFRS X);

(e) Note 2—Management performance measures and unusual income and expenses (required by paragraphs 101 and 106 of [draft] IFRS X, (see also paragraph B74 of [draft] IFRS X));

(f) Note 3—Analysis of reclassification adjustments (required by paragraph 77 of [draft] IFRS X); and

(g) Note 4—Analysis of tax effects relating to each component of other comprehensive income (required by paragraph 80 of [draft] IFRS X).

IE5 This part does not illustrate XYZ Group's complete set of financial statements. For instance, it does not provide examples of:

(a) a statement of cash flows. The illustrative examples accompanying IAS 7 *Statement of Cash Flows* provide examples of that statement.

(b) a statement of financial position as at 1 January 20X1. XYZ Group would be required to present such a statement because it has made a retrospective restatement of retained earnings as at 1 January 20X1, as illustrated in the statement of changes in equity (see paragraph 36 of [draft] IFRS X).

(c) other disclosures required by IFRS Standards. Cross-references to the notes are included in the examples only when related illustrative notes are provided in this part.

IE6 For the purpose of the examples in this part, XYZ Group presents profit or loss and other comprehensive income in two statements (paragraph 13(b) of [draft] IFRS X). Items of other comprehensive income included in the statement presenting comprehensive income are presented before tax effects with one amount shown for the aggregate amount of income tax relating to those items in each category (paragraph 81(b) of [draft] IFRS X). XYZ Group has determined that an analysis of operating expenses using the function of expense method provides the most useful information to users of financial statements in accordance with paragraph 68 of [draft] IFRS X. It has also determined that presenting a statement of financial position distinguishing current items from non-current items provides the most useful information to users (paragraph 84 of [draft] IFRS X).

Statement of profit or loss

XYZ Group—Statement of profit or loss for the year ended 31 December 20X2

			(in currency units)
	Note	**20X2**	**20X1**
Revenue	2	347,000	335,000
Cost of goods sold	1,2	(237,100)	(219,900)
Gross profit		109,900	115,100
Other income[(a)]		3,800	4,100
Selling expenses	1	(28,900)	(27,350)
Research and development expenses	1	(13,850)	(22,400)
General and administrative expenses	1,2	(25,180)	(25,060)
Impairment losses on trade receivables	1	(4,500)	(3,800)
Operating profit		41,270	40,590
Share of profit or loss of integral associates and joint ventures		(600)	2,000
Gains on disposals of integral associates and joint ventures		–	2,200
Operating profit and income and expenses from integral associates and joint ventures		40,670	44,790
Share of profit or loss of non-integral associates and joint ventures		3,380	1,000
Dividend income		3,550	3,210
Profit before financing and income tax		47,600	49,000
Expenses from financing activities	2	(3,800)	(4,500)
Unwinding of discount on provisions		(3,000)	(2,500)
Profit before tax		40,800	42,000
Income tax expense	2	(7,200)	(10,500)
Profit for the year from continuing operations		33,600	31,500
Loss for the year from discontinued operations		–	(5,500)
PROFIT FOR THE YEAR		33,600	26,000
Profit attributable to:			
Holders of claims against the parent classified as equity		26,880	20,800
Non-controlling interests		6,720	5,200
		33,600	26,000
Earnings per share for profit from continuing operations:			
Basic and diluted		0.67	0.66
Earnings per share for profit:			
Basic and diluted		0.67	0.55

(a) Paragraph 28 of [draft] IFRS X requires the composition of 'other income' to be analysed in the notes. However, such a note is not included in the examples.

Statement presenting comprehensive income

XYZ Group—Statement presenting comprehensive income for the year ended 31 December 20X2

(in currency units)

	Note	20X2	20X1
Profit for the year		33,600	26,000
Remeasurements permanently reported outside profit or loss:			
Gains (losses) on investments in equity instruments		3,500	(6,000)
Gains on remeasurements of defined benefit pension plans		3,200	1,400
Share of other comprehensive income of integral associates and joint ventures[(a)]		(2,800)	1,000
Share of other comprehensive income of non-integral associates and joint ventures[(a)]		600	2,300
Income tax relating to remeasurements permanently reported outside profit or loss	4	(1,675)	1,150
Total remeasurements permanently reported outside profit or loss		2,825	(150)
Income and expenses that may be included in profit or loss in the future:			
Exchange differences on translating foreign operations	3	(5,600)	10,000
Losses on cash flow hedges	3	(1,200)	(4,000)
Income tax relating to income and expenses that may be included in profit or loss in the future	4	1,700	(1,500)
Total income and expenses that may be included in profit or loss in the future		(5,100)	4,500
Other comprehensive income for the year, net of tax	4	(2,275)	4,350
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		31,325	30,350
Total comprehensive income attributable to:			
Holders of claims against the parent classified as equity		24,620	24,940
Non-controlling interests		6,705	5,410
		31,325	30,350

(a) In this example, the other comprehensive income of integral and non-integral associates and joint ventures consists only of items that are remeasurements permanently reported outside profit or loss. If an entity has an integral or non-integral associate or joint venture whose other comprehensive income includes items that may be included in profit or loss in the future, it is required to present that amount in a separate line.

Statement of financial position

XYZ Group—Statement of financial position as at 31 December 20X2

		(in currency units)
	31 Dec 20X2	**31 Dec 20X1**
ASSETS		
Non-current assets		
Property, plant and equipment	220,000	205,500
Goodwill	10,800	10,800
Intangible assets	14,000	19,500
Investments in integral associates and joint ventures	12,600	13,200
Investments in non-integral associates and joint ventures	7,650	4,270
Investments in equity instruments other than associates and joint ventures	26,500	23,000
Total non-current assets	291,550	276,270
Current assets		
Inventories	55,500	52,500
Trade receivables	34,000	32,000
Other current assets	7,625	10,100
Cash and cash equivalents	23,400	22,900
Total current assets	120,525	117,500
Total assets	412,075	393,770
EQUITY AND LIABILITIES		
Equity attributable to holders of claims against the parent classified as equity		
Share capital	110,000	100,000
Retained earnings	142,180	124,300
Accumulated other comprehensive income	2,480	4,740
Total equity attributable to holders of claims against the parent classified as equity	254,660	229,040
Non-controlling interests	42,015	35,310
Total equity	296,675	264,350
Non-current liabilities		
Long-term borrowings	50,000	55,000
Deferred tax liabilities	4,800	8,600
Long-term provisions	15,000	12,000
Total non-current liabilities	69,800	75,600

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Current liabilities		
Trade and other payables	21,800	20,420
Contract liabilities	6,200	7,200
Short-term borrowings	4,000	6,000
Current portion of long-term borrowings	5,000	12,000
Current tax payable	5,100	4,800
Short-term provisions	3,500	3,400
Total current liabilities	45,600	53,820
Total liabilities	115,400	129,420
Total equity and liabilities	412,075	393,770

XYZ Group—Statement of changes in equity for the year ended 31 December 20X2

(in currency units)

	Share capital	Retained earnings	Investments in equity instruments	Defined benefit pension plans	Share of other comprehensive income of integral associates and joint ventures	Share of other comprehensive income of non-integral associates and joint ventures	Translation of foreign operations	Cash flow hedges	Total equity attributable to holders of claims against the parent classified as equity	Non-controlling interests	Total equity
Balance at 1 January 20X1	100,000	108,100	1,600	1,000	1,400	(1,400)	(4,000)	2,000	208,700	29,800	238,500
Changes in accounting policy	–	400	–	–	–	–	–	–	400	100	500
Restated balance	100,000	108,500	1,600	1,000	1,400	(1,400)	(4,000)	2,000	209,100	29,900	239,000
Changes in equity for 20X1											
Dividends	–	(5,000)	–	–	–	–	–	–	(5,000)	–	(5,000)
Profit or loss		20,800							20,800	5,200	26,000
Other comprehensive income[(a)]			(3,600)	840	1,000	2,300	6,000	(2,400)	4,140	210	4,350
Total comprehensive income for the year	–	20,800	(3,600)	840	1,000	2,300	6,000	(2,400)	24,940	5,410	30,350
Balance at 31 December 20X1	100,000	124,300	(2,000)	1,840	2,400	900	2,000	(400)	229,040	35,310	264,350
Changes in equity for 20X2											
Issue of share capital	10,000	–	–	–	–	–	–	–	10,000	–	10,000
Dividends	–	(9,000)	–	–	–	–	–	–	(9,000)	–	(9,000)
Profit or loss		26,880							26,880	6,720	33,600
Other comprehensive income[(a)]			2,100	1,920	(2,800)	600	(3,360)	(720)	(2,260)	(15)	(2,275)
Total comprehensive income for the year	–	26,880	2,100	1,920	(2,800)	600	(3,360)	(720)	24,620	6,705	31,325
Balance at 31 December 20X2	110,000	142,180	100	3,760	(400)	1,500	(1,360)	(1,120)	254,660	42,015	296,675

(a) The amount included in investments in equity instruments, remeasurements of defined benefit pension plans, share of other comprehensive income of integral associates and joint ventures, share of other comprehensive income of non-integral associates and joint ventures, translation of foreign operations and cash flow hedges represent other comprehensive income for each component, net of tax and non-controlling interests. For example, the expense in other comprehensive income related to investments in equity instruments for 20X1 of 3,600 is 6,000, net of tax of 1,500 and non-controlling interests of 900.

Note 1—Analysis of operating expenses by nature

The following table analyses operating expenses included in the statement of profit or loss using the nature of expense method. Other miscellaneous expenses consist of several unrelated immaterial amounts, the largest of which is travel expenses of currency units (CU) 700 (20X2) and CU560 (20X1).

		(in currency units)	
	Note	**20X2**	**20X1**
Changes in inventories of finished goods and work in progress		3,000	(3,700)
Raw material used		(146,000)	(143,200)
Reversal of inventory write-downs	2	–	4,400
Employee benefits	2	(107,000)	(104,600)
Depreciation		(27,000)	(26,500)
Amortisation		(5,500)	(5,300)
Impairment of property, plant and equipment	2	(5,000)	(4,500)
Impairment losses on trade receivables		(4,500)	(3,800)
Property taxes	2	(5,200)	(5,100)
Litigation expenses	2	(1,900)	(5,200)
Gains (losses) on derivatives[a]		(5,500)	2,200
Other miscellaneous expenses		(4,930)	(3,210)
Operating expenses total		(309,530)	(298,510)

(a) ‘Gains (losses) on derivatives’ consists of gains and/or losses on derivatives used to manage risks related to manufacturing activity for which hedge accounting has not been applied.

Note 2—Management performance measures and unusual income and expenses

The Group uses three management performance measures as defined in [draft] IFRS X in its financial communications with users of financial statements. The three measures are ‘adjusted operating profit’, ‘adjusted net profit’ and ‘adjusted equity holders’ profit of parent’.

These management performance measures provide management’s view of an aspect of the Group’s financial performance. They are not specified by IFRS Standards and therefore may not be comparable to apparently similar measures used by other entities. They are provided to complement measures of performance specified by IFRS Standards, and are not intended to be a substitute for measures specified by IFRS Standards.

The management performance measures have been calculated by adjusting for the effect of the following items which, in the view of the Group’s management, should be considered separately when assessing trends:

(1) unusual income and expenses—these are not expected to arise for several future annual reporting periods, unlike other items in the statements of financial performance.

(2) revenue adjustment—the Group has acquired several entities which had recognised contract liabilities. IFRS 3 *Business Combinations* requires a contract liability of an acquired entity to be recognised at fair value on the acquisition date. Because the fair value of the contract liabilities is lower than the contract consideration received, the Group recognised less revenue when it provided its services than would have been recognised by the acquired entities had the acquisition not occurred. In the calculation of its management performance measures, the Group adjusts for the difference between the revenue recognised and the consideration received.

The Group believes that its management performance measures help users of financial statements to assess underlying trends in profitability including the effect of acquisitions on the profitability of the Group.

20X2

The Group identified the following unusual items in 20X2.

Tax reform

The Group's parent entity is located in Country A. In 20X2, the government of Country A reformed the tax system, introducing the following changes that affected the Group:

(1) offshore income tax—the income tax rate affecting offshore income will decrease from 25% to 10% from 1 January 20X3. This affects the calculation of deferred tax liabilities on accumulated offshore income, resulting in a decrease in those liabilities of CU4,000. As a result, the Group recognised tax income of CU4,000 at the end of 20X2. The Group assessed that such a major tax reform will not occur in several future annual reporting periods, and the Group will not recognise such tax income in several future annual reporting periods. Therefore, the Group identified this tax income as unusual income.

(2) property tax—one of Country A's property taxes will be abolished from 1 January 20X3. In prior periods the Group recognised property tax expenses in relation to this tax. In 20X2 the expense was CU2,500. As this property tax expense will not arise in several future annual reporting periods, the Group identified the property tax expense of CU2,500 as an unusual expense. Country A's property taxes are deductible from income tax.

Restructuring in Country B

The Group decided to move one of its factories from Country B to Country C because of uncertainty caused by proposed legal changes which would restrict the operation of foreign companies in Country B. Restructuring expenses of CU6,000 were recognised, made up of redundancy expenses for factory staff of CU2,050, impairment losses on factory machinery of CU3,350 and losses on extinguishment of loans of CU600 which resulted from modification of the terms of bank loans directly linked to the factory operation and factory properties. The Group identified these expenses as unusual expenses because it does not expect to conduct such a significant restructuring for several future annual reporting periods, and such expenses are only expected to arise from significant restructuring.

(in currency units)

	Management performance measure	Adjustments for unusual items			Other adjustments	Measure specified by IFRS Standards
		Offshore income tax	Property tax	Restructuring in Country B	Revenue adjustment	
Revenue		–	–	–	(6,200)	
Cost of goods sold		–	–	(4,990)	–	
General and administrative expenses		–	(2,500)	(410)	–	
Adjusted operating profit / Operating profit	**55,370**	**–**	**(2,500)**	**(5,400)**	**(6,200)**	**41,270**
Expenses from financing activities		–	–	(600)	–	
Income tax		4,000	625	900	1,550	
Adjusted profit / Profit	**41,225**	**4,000**	**(1,875)**	**(5,100)**	**(4,650)**	**33,600**
Profit attributable to non-controlling interests[(a)]		–	–	(1,020)	–	
Adjusted profit attributable to holders of claims against the parent classified as equity / Profit attributable to holders of claims against the parent classified as equity	**33,485**	**4,000**	**(1,875)**	**(4,080)**	**(4,650)**	**26,880**

(a) In this example, there are no amounts attributable to non-controlling interests for the tax reform (which affected offshore income tax and property tax) because it arose at the parent entity level. Also, there are no amounts attributable to non-controlling interests for the revenue adjustment because the revenue would have arisen from wholly owned subsidiaries.

Earnings per share for adjusted profit attributable to holders of claims against the parent classified as equity:	
Basic and diluted	0.84

The tax effect of property tax being abolished is calculated based on the amount of property tax in 20X2 and the rate of income tax that was effective at the end of 20X2. The tax effect of restructuring in Country B is calculated based on a reasonable pro rata allocation of the current and deferred tax related to Country B. The tax effect of revenue adjustment is calculated based on the terms of contracts with customers and the rate of income tax effective at the end of 20X2. The change in the rate of offshore income tax does not have a tax effect for accounting purposes.

Unusual operating expenses by nature (see Note 1)

(in currency units)

Operating expenses	**Property tax**	**Restructuring in Country B**	**Total**
Employee benefits	–	(2,050)	(2,050)
Impairment of property, plant and equipment	–	(3,350)	(3,350)
Property taxes	(2,500)	–	(2,500)

20X1

The Group identified the following unusual items in 20X1.

Reversal of write-downs of raw material

The Group buys and holds raw material which is consumed in the Group's production process and therefore does not form part of its end product. During 20X0, Country D, a large consumer of that raw material, was hit by a huge earthquake and the market demand for the raw material fell significantly. This in turn lead to a sharp drop in its market price. As a result, the Group recognised write-downs of CU4,900 in the raw material at the end of 20X0, and classified them as unusual expenses. However, during 20X1, the price of the raw material rebounded. So, at the end of 20X1, the Group recognised a reversal of the write-downs of CU4,400. The Group identified this reversal as an unusual item. This unusual item is included in 'reversal of inventory write-downs' in the analysis of operating expenses by nature (see Note 1).

Litigation expense arising from court case E

Litigation expense of CU3,500 arose from court case E in which the Group recognised an expense for damages incurred after the Group mislabelled one of its products. The Group has since taken measures to remedy its labelling procedures. The Group identified this litigation expense as an unusual expense. This unusual expense is included in 'litigation expenses' in the analysis of operating expenses by nature (see Note 1).

(in currency units)

		Adjustments for unusual items		Other adjustments	
	Management performance measure	Reversal of write-downs of raw material	Litigation expense from court case E	Revenue adjustment	**Measure specified by IFRS Standards**
Revenue		–	–	(8,800)	
Cost of goods sold		4,400	–	–	
General and administrative expenses		–	(3,500)	–	
Adjusted operating profit / Operating profit	**48,490**	**4,400**	**(3,500)**	**(8,800)**	**40,590**
Income tax		–	–	2,200	
Adjusted profit / Profit	**31,700**	**4,400**	**(3,500)**	**(6,600)**	**26,000**
Profit attributable to non-controlling interests[(a)]		880	–	–	
Adjusted profit attributable to holders of claims against the parent classified as equity / Profit attributable to holders of claims against the parent classified as equity	**27,380**	**3,520**	**(3,500)**	**(6,600)**	**20,800**

(a) In this example, there are no amounts attributable to non-controlling interests for litigation expense from court case E because the expenses arose at the parent entity level. Also, there are no amounts attributable to non-controlling interests for the revenue adjustment because the revenue would have arisen from wholly owned subsidiaries.

Earnings per share for adjusted profit attributable to holders of claims against the parent classified as equity:	
Basic and diluted	0.72

The tax effect of the revenue adjustment is calculated based on the terms of contracts with customers and the rate of income tax that was effective at the end of 20X1. Litigation expense from court case E and the reversal of the write-downs of raw material do not have a tax effect because they are not tax-deductible or chargeable.

Note 3—Analysis of reclassification adjustments

The following table analyses the reclassification adjustments of the components of other comprehensive income to be included in profit or loss in the future when specific conditions are met. There were no disposals of a foreign operation in 20X2 and 20X1 and therefore there are no reclassification adjustments for the years presented.

(in currency units)

		20X2		20X1
Income and expenses that may be included in profit or loss in the future				
Exchange differences on translating foreign operations		(5,600)		10,000
Losses on cash flow hedges:				
Losses arising during the year	(5,200)		(4,000)	
Less: Reclassification adjustments for losses included in profit or loss	4,000	(1,200)	–	(4,000)

Note 4—Analysis of tax effects relating to each component of other comprehensive income

(in currency units)

	20X2			20X1		
	Amount before tax	Tax (expense) benefit	**Amount net of tax**	Amount before tax	Tax (expense) benefit	**Amount net of tax**
Remeasurement permanently reported outside profit or loss						
Gains (losses) on investments in equity instruments	3,500	(875)	**2,625**	(6,000)	1,500	**(4,500)**
Gains on remeasurements of defined benefit pension plans	3,200	(800)	**2,400**	1,400	(350)	**1,050**
Share of other comprehensive income of integral associates and joint ventures	(2,800)	–	**(2,800)**	1,000	–	**1,000**
Share of other comprehensive income of non-integral associates and joint ventures	600	–	**600**	2,300	–	**2,300**
Income and expenses that may be included in profit or loss in the future						
Exchange differences on translating foreign operations	(5,600)	1,400	**(4,200)**	10,000	(2,500)	**7,500**
Losses on cash flow hedges	(1,200)	300	**(900)**	(4,000)	1,000	**(3,000)**
Other comprehensive income	(2,300)	25	**(2,275)**	4,700	(350)	**4,350**

Part II—Further examples of statement(s) of financial performance

IE7 This part provides examples of (a section of) the statement(s) of financial performance for the following main business activities:

(a) Example II-1—an entity investing in the course of its main business activity—a property investment entity (operating expenses analysed by nature);

(b) Example II-2—an entity investing in the course of its main business activity—an insurance entity (operating expenses analysed by function);

(c) Example II-3—an entity investing in the course of its main business activity and providing financing to customers as a main business activity—an investment and retail bank (operating expenses analysed by nature); and

(d) Example II-4—an entity with two main business activities, one of which is providing financing to customers—a manufacturer providing financing to customers (operating expenses analysed by function).

Example II-1—Statement of financial performance for an entity investing in the course of its main business activity (a property investment entity)

IE8 The following example illustrates the statement of financial performance of AA Group. For the purpose of this example:

(a) AA Group's main business activity is holding properties to earn rentals and for capital appreciation; that is, it invests in assets that generate a return individually and largely independently of its other resources (paragraphs 47–48 of [draft] IFRS X).

(b) AA Group accounts for its investment properties using the fair value model in IAS 40 *Investment Property*.

(c) AA Group prepares a single statement of profit or loss and other comprehensive income (paragraph 13(a) of [draft] IFRS X). Items of other comprehensive income included in the other comprehensive income section are presented net of related tax effects (paragraph 81(a) of [draft] IFRS X).

(d) AA Group has determined that an analysis of operating expenses using the nature of expense method provides the most useful information to users of financial statements in accordance with paragraph 68 of [draft] IFRS X.

AA Group—Statement of financial performance for the year ended 31 December 20X2

	(in currency units)	
	20X2	**20X1**
Rental revenue	130,700	127,900
Depreciation of right-of-use asset on land	(15,800)	(15,600)
Maintenance and property service income	38,900	38,200
Maintenance and property service expenses	(42,500)	(42,800)
Net rental income	111,300	107,700
Gains (losses) from disposals of investment properties	1,520	(6,420)
Fair value losses on investment properties	(34,700)	(29,100)
Employee benefit expense	(26,000)	(26,200)
Other expenses[(a)]	(5,720)	(5,780)
Operating profit	46,400	40,200
Share of profit or loss of integral associates and joint ventures	4,250	4,600
Operating profit and income and expenses from integral associates and joint ventures	50,650	44,800
Share of profit or loss of non-integral associates and joint ventures	(3,450)	1,350
Dividend income	4,100	2,800
Profit before financing and income tax	51,300	48,950
Interest expense on lease liabilities	(3,200)	(3,400)
Other expenses from financing activities	(3,300)	(3,550)
Profit before tax	44,800	42,000
Income tax expense	(11,200)	(10,500)
Profit for the year from continuing operations	33,600	31,500
Loss for the year from discontinued operations	–	(5,500)
PROFIT FOR THE YEAR	33,600	26,000
Remeasurements permanently reported outside profit or loss, net of tax:		
Gains (losses) on investments in equity instruments	2,625	(4,500)
Gains on remeasurements of defined benefit pension plans	2,400	1,050
Share of other comprehensive income of integral associates and joint ventures[(b)]	(2,800)	1,000
Share of other comprehensive income of non-integral associates and joint ventures[(b)]	600	2,300
Total remeasurements permanently reported outside profit or loss	2,825	(150)
Income and expenses that may be included in profit or loss in the future, net of tax:		
Exchange differences on translating foreign operations	(4,200)	7,500
Losses on cash flow hedges	(900)	(3,000)
Total income and expenses that may be included in profit or loss in the future	(5,100)	4,500
Other comprehensive income for the year, net of tax	(2,275)	4,350
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	31,325	30,350

continued...

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Profit attributable to:		
Holders of claims against the parent classified as equity	26,880	20,800
Non-controlling interests	6,720	5,200
	33,600	26,000
Total comprehensive income attributable to:		
Holders of claims against the parent classified as equity	24,620	24,940
Non-controlling interests	6,705	5,410
	31,325	30,350
Earnings per share for profit from continuing operations:		
Basic and diluted	0.67	0.66
Earnings per share for profit:		
Basic and diluted	0.67	0.55

(a) Paragraph 28 of [draft] IFRS X requires the composition of 'other expenses' to be analysed in the notes. However, such a note is not included in the examples.

(b) In this example, the other comprehensive income of integral and non-integral associates and joint ventures consists only of items that are remeasurements permanently reported outside profit or loss. If an entity has an integral or non-integral associate or joint venture whose other comprehensive income includes items that may be included in profit or loss in the future, the entity is required to present that amount in a separate line.

Example II-2—Statement of financial performance for an entity investing in the course of its main business activity (an insurance entity)

IE9 The following example illustrates the profit or loss section of the statement of financial performance of BB Group. For the purpose of this example:

(a) BB Group's main business activity is providing insurance coverage. In the course of its main business activity it invests in financial assets that generate a return individually and largely independently of its other resources (paragraphs 47–48 of [draft] IFRS X). It does not provide financing to customers as a main business activity (paragraph 51 of [draft] IFRS X).

(b) BB Group is applying IFRS 17 *Insurance Contracts* as issued in 2017.

(c) BB Group prepares a single statement of profit or loss and other comprehensive income (paragraph 13(a) of [draft] IFRS X—only the profit or loss section is shown in the example).

(d) BB Group has determined that an analysis of operating expenses using the function of expense method provides the most useful information to users of financial statements in accordance with paragraph 68 of [draft] IFRS X.

BB Group—Statement of financial performance for the year ended 31 December 20X2

	(in currency units)	
	20X2	**20X1**
Insurance revenue	138,200	133,800
Insurance service expenses	(107,000)	(106,000)
Insurance service result	31,200	27,800
Interest revenue calculated using the effective interest method	21,500	22,000
Other investment revenue	95,500	81,000
Credit impairment losses	(9,000)	(11,000)
Insurance finance expenses	(85,900)	(84,000)
Net financial result	22,100	8,000
Other expenses[(a)]	(3,100)	(4,600)
Operating profit	50,200	31,200
Share of profit or loss of integral associates and joint ventures	(3,200)	1,500
Operating profit and income and expenses from integral associates and joint ventures	47,000	32,700
Share of profit or loss of non-integral associates and joint ventures	(2,200)	3,300
Profit before financing and income tax / Profit before tax	44,800	36,000
Income tax expense	(11,200)	(9,000)
PROFIT FOR THE YEAR	33,600	27,000

(a) Paragraph 28 of [draft] IFRS X requires the composition of 'other expenses' to be analysed in the notes. However, such a note is not included in the examples.

Example II-3—Statement of financial performance for an entity investing in the course of its main business activity and providing financing to customers as a main business activity (an investment and retail bank)

IE10 The following example illustrates the profit or loss section of the statement of financial performance of CC Group. For the purpose of this example:

(a) CC Group's main business activities are investing, trading and retail banking; that is, it invests in assets that generate a return individually and largely independently of its other resources in the course of its main business activities (paragraphs 47–48 of [draft] IFRS X), and it provides financing to customers as a main business activity (paragraph 51 of [draft] IFRS X).

(b) CC Group prepares a single statement of profit or loss and other comprehensive income (paragraph 13(a) of [draft] IFRS X—only the profit or loss section is shown in the example).

(c) CC Group has determined that an analysis of operating expenses using the nature of expense method provides the most useful information to users of financial statements in accordance with paragraph 68 of [draft] IFRS X.

(d) CC Group's accounting policy is to present all income and expenses from financing activities and from cash and cash equivalents in the operating category (paragraph 51(b) of [draft] IFRS X). This accounting policy is consistent with paragraph 51 of [draft] IFRS X which permits the choice. As a result, CC Group cannot present the profit before financing and income tax subtotal (paragraph 64 of [draft] IFRS X).

CC Group—Statement of financial performance for the year ended 31 December 20X2

	(in currency units)	
	20X2	**20X1**
Interest revenue calculated using the effective interest method	356,000	333,800
Interest expense	(281,000)	(259,000)
Net interest income	75,000	74,800
Fee and commission income	76,800	74,300
Fee and commission expenses	(45,300)	(44,800)
Net fee and commission income	31,500	29,500
Net trading income	9,100	900
Net investment income	11,600	7,800
Credit impairment losses	(17,300)	(19,100)
Employee benefits	(55,100)	(49,500)
Depreciation	(4,200)	(3,900)
Amortisation	(2,500)	(2,050)
Other operating expenses[a]	(5,100)	(4,550)
Operating profit	43,000	33,900
Share of profit or loss of integral associates and joint ventures	(2,400)	(1,800)
Operating profit and income and expenses from integral associates and joint ventures	40,600	32,100
Share of profit or loss of non-integral associates and joint ventures	4,200	3,900
Profit before tax	44,800	36,000
Income tax expense	(11,200)	(9,000)
PROFIT FOR THE YEAR	33,600	27,000

(a) Paragraph 28 of [draft] IFRS X requires the composition of 'other expenses' to be analysed in the notes. However, such a note is not included in the examples.

Example II-4—Statement of financial performance for an entity with two main business activities, one of which is providing financing to customers (a manufacturer providing financing to customers)

IE11 The following example illustrates the profit or loss section of the statement of financial performance of DD Group. For the purpose of this example:

(a) DD Group is a manufacturer. The Group also provides financing to its customers as a main business activity (paragraph 51 of [draft] IFRS X) to enable them to purchase its products.

(b) DD Group prepares a single statement of profit or loss and other comprehensive income (paragraph 13(a) of [draft] IFRS X—only the profit or loss section is shown in the example).

(c) DD Group has determined that an analysis of operating expenses using the function of expense method provides the most useful information to users of financial statements in accordance with paragraph 68 of [draft] IFRS X.

(d) DD Group's accounting policy is to include only income and expenses from financing activities and from cash and cash equivalents relating to the provision of financing to customers in the operating category, rather than including all such income and expenses in the operating category (paragraph 51(a) of [draft] IFRS X). This accounting policy is consistent with paragraph 51 of [draft] IFRS X which permits the choice.

DD Group—Statement of financial performance for the year ended 31 December 20X2

	(in currency units)	
	20X2	**20X1**
Revenue from the sale of goods	390,000	355,000
Cost of goods sold	(285,000)	(270,000)
Gross profit from the sale of goods	105,000	85,000
Interest revenue relating to the provision of financing to customers, calculated using effective interest method	119,500	121,000
Expenses related to the provision of financing to customers	(110,000)	(100,800)
Gross profit from the provision of financing to customers	9,500	20,200
Selling expenses	(28,900)	(26,300)
Research and development expenses	(15,800)	(15,400)
General and administrative expenses	(22,900)	(23,600)
Operating profit	46,900	39,900
Share of profit or loss of integral associates and joint ventures	4,700	1,300
Operating profit and income and expenses from integral associates and joint ventures	51,600	41,200
Share of profit or loss of non-integral associates and joint ventures	(3,400)	1,200
Income from financial instruments measured at fair value through profit or loss	4,200	1,500
Portfolio management fees	(3,700)	(3,600)
Profit before (non-customer) financing and income tax	48,700	40,300
Interest expense on borrowings not relating to the provision of financing to customers	(3,800)	(3,500)
Foreign exchange losses on borrowings[(a)]	(3,600)	(4,200)
Interest income on cash and cash equivalents not relating to the provision of financing to customers	3,500	3,400
Profit before tax	44,800	36,000
Income tax expense	(11,200)	(9,000)
PROFIT FOR THE YEAR	33,600	27,000

(a) In this example, no foreign exchange losses on borrowings relate to the provision of financing to customers.

Part III—Capital disclosures

Example III-1—An entity that is not a regulated financial institution

IE12 The following example illustrates the application of paragraphs 111–112 of [draft] IFRS X for an entity that is not a financial institution and is not subject to an externally imposed capital requirement. In this example, the entity monitors capital using a debt-to-adjusted capital ratio. Other entities may use different methods to monitor capital. The example is also relatively simple. An entity decides, in the light of its circumstances, how much detail it provides to satisfy the requirements of paragraphs 111–112 of [draft] IFRS X. In determining the form and content of the disclosure to satisfy those requirements, an entity also considers the disclosure requirements set out in paragraphs 44A–44E of IAS 7.

Facts

Group A manufactures and sells cars. Group A includes a finance subsidiary that provides finance to customers, primarily in the form of leases. Group A is not subject to any externally imposed capital requirements.

Example disclosure

The Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistently with others in the industry, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt ÷ adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (ie share capital, share premium, non-controlling interests, retained earnings, and revaluation surplus) other than amounts accumulated in equity relating to cash flow hedges, and includes some forms of subordinated debt.

During 20X2, the Group's strategy, which was unchanged from 20X1, was to maintain the debt-to-adjusted capital ratio at the lower end of the range 6:1 to 7:1, in order to secure access to finance at a reasonable cost by maintaining a BB credit rating. The debt-to-adjusted capital ratios at 31 December 20X2 and at 31 December 20X1 were as follows:

	31 Dec 20X2	31 Dec 20X1
	CU million	CU million
Total debt	1,000	1,100
Less: cash and cash equivalents	(90)	(150)
Net debt	910	950
Total equity	110	105
Add: subordinated debt instruments	38	38
Less: amounts accumulated in equity relating to cash flow hedges	(10)	(5)
Adjusted capital	138	138
Debt-to-adjusted capital ratio	6.6	6.9

The decrease in the debt-to-adjusted capital ratio during 20X2 resulted primarily from the reduction in net debt that occurred on the sale of Subsidiary Z. As a result of this reduction in net debt, improved profitability and lower levels of managed receivables, the dividend payment was increased to CU2.8 million for 20X2 (from CU2.5 million for 20X1).

Example III-2—An entity that has not complied with externally imposed capital requirements

IE13 The following example illustrates the application of paragraph 111(e) when an entity has not complied with externally imposed capital requirements during the period. Other disclosures would be provided to comply with the other requirements of paragraphs 111–112 of [draft] IFRS X.

Facts

Entity A provides financial services to its customers and is subject to capital requirements imposed by Regulator B. During the year ended 31 December 20X2, Entity A did not comply with the capital requirements imposed by Regulator B. In its financial statements for the year ended 31 December 20X2, Entity A provides the following disclosure relating to its non-compliance.

Example disclosure

Entity A filed its quarterly regulatory capital return for 30 September 20X2 on 20 October 20X2. At that date, Entity A's regulatory capital was below the capital requirement imposed by Regulator B by CU1 million. As a result, Entity A was required to submit a plan to the regulator indicating how it would increase its regulatory capital to the amount required. Entity A submitted a plan that entailed selling part of its unquoted equities portfolio with a carrying amount of CU11.5 million in the fourth quarter of 20X2. In the fourth quarter of 20X2, Entity A sold its fixed interest investment portfolio for CU12.6 million and met its regulatory capital requirement.

Amendments to Illustrative Examples accompanying IAS 7 *Statement of Cash Flows*

In the first illustrative example (A—Statement of cash flows for an entity other than a financial institution), amendments are made to: the illustrative example's title; paragraph 1; the illustrative consolidated statement of comprehensive income; the illustrative consolidated statement of financial position; the illustrative direct method statement of cash flows; and the illustrative indirect method statement of cash flows. In the second illustrative example (B—Statement of cash flows for a financial institution), its title, paragraph 1 and the illustrative direct method statement of cash flows are amended. New text is underlined and deleted text is struck through.

A Statement of cash flows for an entity ~~other than a financial institution~~that does not have a main business activity of providing financing to customers

1 The examples show only current period amounts. ~~Corresponding amounts~~ Comparative information for the preceding period ~~are~~ is required to be presented in accordance with ~~IAS 1 *Presentation of Financial Statements*~~[draft] IFRS X *General Presentation and Disclosures*.

...

Consolidated statement of comprehensive income for the period ended 20X2[(a)]

Sales	30,650
Cost of sales	(~~26,000~~26,450)
Gross profit	~~4,650~~4,200
~~Depreciation~~	~~(450)~~
Administrative and selling expenses	(910)
Operating profit	3,290
Share of profit or loss of integral associates and joint ventures	(20)
Operating profit and income and expenses from integral associates and joint ventures	3,270
Share of profit or loss of non-integral associates and joint ventures	70
~~Interest expense~~	~~(400)~~
Investment income	~~500~~450

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Consolidated statement of comprehensive income for the period ended 20X2[(a)]

Profit before financing and income tax	3,790
Interest expense	(400)
Foreign exchange loss	(40)
Profit before taxation	3,350
Taxes on income	(300)
Profit	3,050

(a) The entity did not recognise any components of other comprehensive income in the period ended 20X2.

Consolidated statement of financial position as at end of 20X2

		20X2		20X1
Assets				
Current assets				
Cash and cash equivalents		230		160
Accounts receivable		1,900		1,200
Inventory		1,000		1,950
Non-current assets				
Investments in integral associates and joint ventures		800		820
Investments in non-integral associates and joint ventures		500		430
Investments in equity instruments other than associates and joint ventures		1,200		1,250
~~Portfolio investments~~		~~2,500~~		~~2,500~~
~~Property, plant and equipment at cost~~	~~3,730~~		~~1,910~~	
~~Accumulated depreciation~~	~~(1,450)~~		~~(1,060)~~	
Property, plant and equipment ~~net~~		2,280		850
Intangible assets		400		500
Total assets		~~7,910~~ 8,310		~~6,660~~ 7,160

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Consolidated statement of financial position as at end of 20X2

	20X2	20X1
Liabilities		
Current liabilities		
Trade payables	250	1,890
Interest payable	230	100
Income taxes payable	400	1,000
Non-current liabilities		
Long-term debt	2,300	1,040
Total liabilities	3,180	4,030
~~Shareholders' equity~~Equity		
Share capital	1,500	1,250
Retained earnings	~~3,230~~ 3,630	~~1,380~~ 1,880
Total ~~shareholders'~~ equity	~~4,730~~ 5,130	~~2,630~~ 3,130
Total liabilities and ~~shareholders'~~ equity	~~7,910~~ 8,310	~~6,660~~ 7,160

Direct method statement of cash flows (paragraph 18(a))

		20X2
Cash flows from operating activities		
Cash receipts from customers	30,150	
Cash paid to suppliers and employees	(27,600)	
~~Cash generated from operations~~Cash from operating activities before income tax	2,550	
~~Interest paid~~	~~(270)~~	
Income taxes paid	(900)	
Net cash from operating activities		~~1,380~~ 1,650

continued...

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Direct method statement of cash flows (paragraph 18(a))

		20X2
Cash flows from investing activities		
Acquisition of ~~subsidiary~~Subsidiary X, net of cash acquired (Note A)	(550)	
Purchase of property, plant and equipment (Note B)	(350)	
Proceeds from sale of equipment	20	
Interest received	200	
Dividends received from integral associates and joint ventures	120	
Dividends received from non-integral associates and joint ventures	20	
Dividends received from equity instruments other than associates and joint ventures	~~200~~60	
Net cash ~~used in~~ from investing activities		(480)
Cash flows from financing activities		
Proceeds from issue of share capital	250	
Proceeds from long-term borrowings	250	
Payment of lease liabilities	(90)	
Interest paid	(270)	
Dividends paid[(a)]	(1,200)	
Net cash ~~used in~~ from financing activities		~~(790)~~ (1,060)
Net increase in cash and cash equivalents		110
Cash and cash equivalents at beginning of period (Note C)		120
Cash and cash equivalents at end of period (Note C)		230

(a) ~~This could also be shown as an operating cash flow.~~

Indirect method statement of cash flows (paragraph 18(b))

		20X2
Cash flows from operating activities		
~~Profit before taxation~~Operating profit	~~3,350~~ 3,290	
Adjustments for:		
Depreciation	~~450~~350	
Amortisation	100	
~~Foreign exchange loss~~	~~40~~	
~~Investment income~~	~~(500)~~	
~~Interest expense~~	~~400~~	
	3,740	
Increase in trade and other receivables	(500)	
Decrease in inventories	1,050	
Decrease in trade payables	(1,740)	
~~Cash generated from operations~~Cash from operating activities before income tax	2,550	
~~Interest paid~~	~~(270)~~	
Income taxes paid	(900)	
Net cash from operating activities		~~1,380~~ 1,650
Cash flows from investing activities		
Acquisition of ~~subsidiary~~Subsidiary X, net of cash acquired (Note A)	(550)	
Purchase of property, plant and equipment (Note B)	(350)	
Proceeds from sale of equipment	20	
Interest received	200	
Dividends received from integral associates and joint ventures	120	
Dividends received from non-integral associates and joint ventures	20	
Dividends received from investments in equity instruments other than associates and joint ventures	~~200~~60	
Net cash ~~used in~~ from investing activities		(480)

continued...

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Indirect method statement of cash flows (paragraph 18(b))

		20X2
Cash flows from financing activities		
Proceeds from issue of share capital	250	
Proceeds from long-term borrowings	250	
Payment of lease liabilities[(a)]	(90)	
Interest paid	(270)	
Dividends paid[(b)]	(1,200)	
Net cash ~~used in~~ from financing activities		~~(790)~~ (1,060)
Net increase in cash and cash equivalents		110
Cash and cash equivalents at beginning of period (Note C)		120
Cash and cash equivalents at end of period (Note C)		230

(a) 'Payment of lease liabilities' includes cash payments both for the principal portion of the lease liabilities and for the interest portion of the lease liabilities.

(b) ~~This could also be shown as an operating cash flow.~~

B Statement of cash flows for ~~a financial institution~~ an entity that provides financing to customers as its main business activity

1 The example shows only current period amounts. Comparative ~~amounts~~ information for the preceding period ~~are~~ is required to be presented in accordance with ~~IAS 1 *Presentation of Financial Statements*~~[draft] IFRS X *General Presentation and Disclosures*.

...

Direct method statement of cash flows (paragraph 18(a))

		20X2
Cash flows from operating activities		
Interest[(a)] and commission receipts	~~28,447~~ 28,747	
Interest payments[(a)]	(23,463)	
Recoveries on loans previously written off	237	
Cash payments to employees and suppliers	(997)	
	~~4,224~~ 4,524	
(Increase) decrease in operating assets:		
Short-term funds	(650)	
Deposits held for regulatory or monetary control purposes	234	
Funds advanced to customers	(288)	
Net increase in credit card receivables	(360)	
Other short-term negotiable securities	(120)	
Increase (decrease) in operating liabilities:		
Deposits from customers	600	
Negotiable certificates of deposit	(200)	
Net cash from operating activities before income tax	~~3,440~~ 3,740	
Income taxes paid	(100)	
Net cash from operating activities		~~3,340~~ 3,640

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Direct method statement of cash flows (paragraph 18(a))

		20X2
Cash flows from investing activities		
Disposal of ~~subsidiary~~Subsidiary Y	50	
Dividends received from investments in equity instruments	200	
~~Interest received~~	~~300~~	
Proceeds from sales of non-dealing securities	1,200	
Purchase of non-dealing securities	(600)	
Purchase of property, plant and equipment	(500)	
Net cash from investing activities		~~650~~350
Cash flows from financing activities		
Issue of loan capital	1,000	
Issue of preference shares by subsidiary undertaking	800	
Repayment of long-term borrowings	(200)	
Net decrease in other borrowings	(1,000)	
Dividends paid	(400)	
Net cash from financing activities		200
Effects of exchange rate changes on cash and cash equivalents		600
Net increase in cash and cash equivalents		4,790
Cash and cash equivalents at beginning of period		4,050
Cash and cash equivalents at end of period		8,840

(a) An entity should classify each of these cash flows in a single category.

A comparison of proposals with requirements in IAS 1 *Presentation of Financial Statements*

The following table provides a mark-up of the requirements the Board proposes to bring forward from IAS 1 to the new IFRS Standard with only limited changes to the wording. The paragraphs coloured in grey in [draft] IFRS X also set out these requirements. Text that is shown as bold in the [draft] IFRS X is not shown as bold in the table text, and defined terms are not italicised at their first occurrence. Footnotes are not included.

In [draft] IFRS X, the section, [draft] Amendments to other IFRS Standards, includes paragraphs the Board proposes to move from IAS 1 to other IFRS Standards, and describes any proposed changes to those paragraphs.

IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
	Scope	
IAS 1.2	An entity shall apply this [draft] Standard in ~~preparing and~~ presenting ~~general purpose~~ and disclosing information in financial statements ~~in accordance with International Financial Reporting Standards (IFRSs)~~prepared applying *IFRS Standards*.	IFRS X.2
IAS 1.3	Other ~~IFRSs~~IFRS Standards set out the recognition, measurement, presentation and disclosure requirements for specific transactions and other events.	IFRS X.4
IAS 1.4	This [draft] Standard does not apply to the ~~structure~~presentation and ~~content~~disclosure of information in condensed interim financial statements prepared in accordance with IAS 34 *Interim Financial Reporting*. However, paragraphs ~~15–35 apply to such financial statements~~25–30, 100–110 and 118 apply to such financial statements.	IFRS X.5
	This [draft] Standard applies equally to all entities, including those that present consolidated financial statements in accordance with IFRS 10 *Consolidated Financial Statements* and those that present separate financial statements in accordance with IAS 27 *Separate Financial Statements*.	IFRS X.6
IAS 1.5	This [draft] Standard uses terminology that is suitable for profit-oriented entities, including public sector business entities. If entities with not-for-profit activities in the private sector or the public sector apply this [draft] Standard, they may need to amend the descriptions used for particular line items, categories, subtotals or totals in the financial statements and for the financial statements themselves.	IFRS X.7

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)		New para #
IAS 1.6	Similarly, entities that do not have equity as defined in IAS 32 *Financial Instruments: Presentation* (eg some mutual funds) and entities whose share capital is not equity (eg some co-operative entities) may need to adapt the financial statement presentation of members' or unitholders' interests.		IFRS X.8
	Definitions		
IAS 1.7	impracticable	Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so.	IFRS X.App A
IAS 1.7 (cont)	~~International Financial Reporting Standards (IFRSs)~~IFRS Standards	IFRS Standards are Standards and Interpretations issued by the International Accounting Standards Board (~~IASB~~Board). They comprise: (a) International Financial Reporting Standards; (b) International Accounting Standards; (c) IFRIC Interpretations; and (d) SIC Interpretations.	IFRS X.App A
IAS 1.7 (cont)	other comprehensive income	~~comprises items~~Items of income and expense (including reclassification adjustments) that are ~~not~~ recognised ~~in~~outside profit or loss as required or permitted by other ~~IFRSs.~~IFRS Standards.	IFRS X.App A

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
IAS 1.7 (cont)	Appendix A defines other comprehensive income. The components of other comprehensive income include: (a) changes in revaluation surplus (see IAS 16 ~~*Property, Plant and Equipment*~~ and IAS 38 *Intangible Assets*); (b) remeasurements of defined benefit plans (see IAS 19 ~~*Employee Benefits*~~); (c) gains and losses arising from translating the financial statements of a foreign operation (see IAS 21 ~~*The Effects of Changes in Foreign Exchange Rates*~~); (d) gains and losses from investments in equity instruments designated as measured at fair value through other comprehensive income in accordance with paragraph 5.7.5 of IFRS 9 ~~*Financial Instruments*~~; ~~(da)~~(e) gains and losses on financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of IFRS 9; ~~(e)~~(f) the effective portion of gains and losses on hedging instruments in a cash flow hedge and the gains and losses on hedging instruments that hedge investments in equity instruments measured at fair value through other comprehensive income in accordance with paragraph 5.7.5 of IFRS 9 (see Chapter 6 of IFRS 9); ~~(f)~~(g) for particular liabilities designated as at fair value through profit or loss, the amount of the change in fair value that is attributable to changes in the liability's credit risk (see paragraph 5.7.7 of IFRS 9); ~~(g)~~(h) changes in the value of the time value of options when separating the intrinsic value and time value of an option contract and designating as the hedging instrument only the changes in the intrinsic value (see Chapter 6 of IFRS 9);	IFRS X.B50

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
IAS 1.7 (cont)	~~(h)~~(i) changes in the value of the forward elements of forward contracts when separating the forward element and spot element of a forward contract and designating as the hedging instrument only the changes in the spot element, and changes in the value of the foreign currency basis spread of a financial instrument when excluding it from the designation of that financial instrument as the hedging instrument (see Chapter 6 of IFRS 9); ~~(i)~~(j) insurance finance income and expenses from contracts issued within the scope of IFRS 17 *Insurance Contracts* excluded from profit or loss when total insurance finance income or expense is disaggregated to include in profit or loss an amount determined by a systematic allocation applying paragraph 88(b) of IFRS 17, or by an amount that eliminates accounting mismatches with the finance income or expenses arising on the underlying items, applying paragraph 89(b) of IFRS 17; and ~~(j)~~(k) finance income and expenses from reinsurance contacts held excluded from profit or loss when total reinsurance finance income or expenses is disaggregated to include in profit or loss an amount determined by a systematic allocation<u>,</u> applying paragraph 88(b) of IFRS 17.	IFRS X.B50 (cont)
IAS 1.7 (cont)	reclassification adjustments — ~~are amounts~~<u>Amounts</u> reclassified to profit or loss in the current <u>reporting</u> period that were ~~recognised~~<u>included</u> in other comprehensive income in the current or previous periods.	IFRS X.App A

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)		New para #
IAS 1.7 (cont)	total comprehensive income	~~is the~~The change in equity during a reporting period resulting from transactions and other events, other than those changes resulting from transactions with ~~owners~~holders of claims classified as equity in their capacity as ~~owners~~ holders of claims classified as equity. ~~Total comprehensive income comprises all components of 'profit or loss' and of 'other comprehensive income'.~~	IFRS X.App A
IAS 1.8	Although this [draft] Standard uses ~~the~~ terms such as 'other comprehensive income', 'profit or loss' and 'total comprehensive income', an entity may use other terms to describe the totals, subtotals and line items required by this [draft] Standard as long as the meaning is clear. For example, an entity may use the term 'net income' to describe profit or loss.		IFRS X.12
	Financial statements		
	Complete set of financial statements		
IAS 1.11	An entity shall present ~~with equal prominence all~~each of the primary financial statements with equal prominence in a complete set of financial statements.		IFRS X.15
	General features		
	Materiality and aggregation		
IAS 1.31	Some ~~IFRSs~~IFRS Standards specify information that is required to be ~~included~~presented in the primary financial statements~~, which include~~ or disclosed in the notes. An entity need not provide a specific presentation or disclosure required by an IFRS Standard if the information resulting from that presentation or disclosure is not material. This is the case even if the IFRS Standard contains a list of specific requirements or describes them as minimum requirements. An entity shall also consider whether to provide additional disclosures when compliance with the specific requirements in IFRS Standards is insufficient to enable users of financial statements to understand the impact of ~~particular~~ transactions~~,~~ and other events and conditions on the entity's financial position and financial performance.		IFRS X.24

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
	Offsetting	
IAS 1.32	An entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an IFRS <u>Standard (see paragraphs B16–B17)</u>.	IFRS X.29
IAS 1.33	An entity reports separately both assets and liabilities, and income and expenses. Offsetting in the statement(s) of ~~profit or loss and other comprehensive income or~~<u>financial performance or the statement of</u> financial position, except when offsetting reflects the substance of the transaction or other event, detracts from the ability of users <u>of financial statements</u> both to understand the transactions~~,~~<u> and</u> other events and conditions that have occurred and to assess the entity's future cash flows. Measuring assets net of valuation allowances—for example, obsolescence allowances on inventories and doubtful debts allowances on receivables—is not offsetting.	IFRS X.30
IAS 1.34	<u>Paragraph 29 prohibits entities from offsetting unless required or permitted by an IFRS Standard.</u> IFRS 15 *Revenue from Contracts with Customers* requires an entity to measure revenue from contracts with customers at the amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods or services. For example, the amount of revenue recognised reflects any trade discounts and volume rebates the entity allows. An entity undertakes, in the course of its ordinary activities, other transactions that do not generate revenue but are incidental to the main revenue-generating activities. An entity presents <u>in the primary financial statements or discloses in the notes</u> the results of such transactions, when this presentation<u> or disclosure</u> reflects the substance of the transaction or other event, by netting any income with related expenses arising on the same transaction. For example:	IFRS X.B16

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
	Frequency of reporting	
IAS 1.36	An entity shall ~~present~~provide a complete set of financial statements (including comparative information) at least annually. When an entity changes the end of its reporting period and ~~presents~~provides financial statements for a period longer or shorter than one year, an entity shall disclose, in addition to the period covered by the financial statements: (a) the reason for using a longer or shorter period~~,~~; and (b) the fact that amounts ~~presented~~included in the financial statements are not entirely comparable.	IFRS X.31
IAS 1.37	Normally, an entity consistently prepares financial statements for a one-year period. However, for practical reasons, some entities prefer to report, for example, for a 52-week period. This [draft] Standard does not preclude this practice.	IFRS X.32
	Comparative information	
	Minimum comparative information	
IAS 1.38	Except when ~~IFRSs~~IFRS Standards permit or require otherwise, an entity shall ~~present~~provide comparative information in respect of the preceding reporting period for all amounts reported in the current period's financial statements. An entity shall include comparative information for narrative and descriptive information if it is relevant to an understanding of the current period's financial statements.	IFRS X.34
1.38A	An entity shall present, as a minimum, ~~two~~a current reporting period and preceding period in each of its primary financial statements ~~of financial position, two statements of profit or loss and other comprehensive income, two separate statements of profit or loss (if presented), two statements of cash flows~~ and ~~two statements of changes in equity, and related~~and in the notes.	IFRS X.35

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
IAS 1.38B	In some cases, narrative information provided in the financial statements for the preceding <u>reporting </u>period(s) continues to be relevant in the current period. For example, an entity discloses in the current period details of a legal dispute, the outcome of which was uncertain at the end of the preceding period and is yet to be resolved. Users <u>of financial statements </u>may benefit from the disclosure of information that the uncertainty existed at the end of the preceding period and from the disclosure of information about the steps that have been taken during the period to resolve the uncertainty.	IFRS X.B19
	Additional comparative information	
IAS 1.38C	An entity may ~~present~~<u>provide</u> comparative information in addition to the minimum comparative ~~financial statements~~<u>information</u> required by ~~IFRSs~~<u>IFRS Standards</u>, as long as that information is prepared in accordance with ~~IFRSs~~<u>IFRS Standards</u>. This comparative information may consist of one or more <u>of the primary financial </u>statements referred to in paragraph 10, but need not comprise a complete set of financial statements. When this is the case, the entity shall ~~present~~<u>disclose</u> related note information for those additional <u>primary financial</u> statements.	IFRS X.B20
IAS 1.38D	For example, an entity may present a third ~~statement~~<u>statement(s)</u> of ~~profit or loss and other comprehensive income~~<u>financial performance</u> (thereby presenting the current <u>reporting </u>period, the preceding period and one additional comparative period). However, the entity is not required to present a third statement of financial position, a third statement of cash flows or a third statement of changes in equity (ie an additional financial statement comparative). The entity is required to ~~present~~<u>disclose</u>, in the notes~~ to the financial statements~~, the comparative information related to that additional ~~statement~~<u>statement(s)</u> of ~~profit or loss and other comprehensive income~~<u>financial performance</u>.	IFRS X.B21

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
	Change in accounting policy, retrospective restatement or reclassification	
IAS 1.40A	An entity shall present a third statement of financial position as at the beginning of the preceding reporting period in addition to the minimum comparative ~~financial statements~~information required in paragraph ~~38A~~35 if: (a) it applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements or reclassifies items in its financial statements; and (b) the retrospective application, retrospective restatement or the reclassification has a material effect on the information in the statement of financial position at the beginning of the preceding period.	IFRS X.36
IAS 1.40B	In the circumstances described in paragraph ~~40A~~36, an entity shall present three statements of financial position as at: (a) the end of the current reporting period; (b) the end of the preceding period; and (c) the beginning of the preceding period.	IFRS X.37
IAS 1.40C	When an entity is required to present ~~an additional~~a third statement of financial position in accordance with paragraph ~~40A~~36, it must disclose the information required by paragraphs ~~41–44~~40–41 and IAS 8. However, it need not ~~present~~provide the related notes to the opening statement of financial position as at the beginning of the preceding reporting period.	IFRS X.38
IAS 1.40D	The date of that opening statement of financial position shall be as at the beginning of the preceding reporting period regardless of whether an entity's financial statements ~~present~~provide comparative information for earlier periods (as permitted in paragraph ~~38C~~B20).	IFRS X.39

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
IAS 1.41	If an entity changes the presentation, disclosure or classification of items in its financial statements, it shall reclassify comparative amounts unless reclassification is impracticable. When an entity reclassifies comparative amounts, it shall disclose (including as at the beginning of the preceding reporting period) (see paragraphs B22–B23): (a) the nature of the reclassification; (b) the amount of each item or class of items that is reclassified; and (c) the reason for the reclassification.	IFRS X.40
IAS 1.42	When it is impracticable to reclassify comparative amounts, an entity shall disclose: (a) the reason for not reclassifying the amounts~~,~~; and (b) the nature of the adjustments that would have been made if the amounts had been reclassified.	IFRS X.41
IAS 1.43	Paragraph 40 requires an entity to reclassify comparative amounts if the entity changes the presentation, disclosure or classification of items in its financial statements. Enhancing the inter-period comparability of information assists users of financial statements in making economic decisions, especially by allowing the assessment of trends in financial information for predictive purposes. In some circumstances, it is impracticable to reclassify comparative information for a particular prior reporting period to achieve ~~comparability~~consistency with the current period. For example, an entity may not have collected data in the prior period(s) in a way that allows reclassification, and it may be impracticable to recreate the information.	IFRS X.B22
IAS 1.44	IAS 8 *Basis of Preparation, Accounting Policies, Changes in Accounting Estimates and Errors* sets out the adjustments to comparative information required when an entity changes an accounting policy or corrects an error.	IFRS X.B23

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
	Consistency of presentation	
IAS 1.45	An entity shall retain the presentation, disclosure and classification of items in the financial statements from one reporting period to the next unless (see paragraph B18): (a) it is apparent, following a significant change in the nature of the entity's operations or a review of its financial statements, that another presentation, disclosure or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in IAS 8 *Basis of Preparation, Accounting Policies, Changes in Accounting Estimates and Errors*; or (b) an IFRS Standard requires a change in presentation, disclosure or classification.	IFRS X.33
IAS 1.46	Paragraph 33(a) permits an entity to change the presentation, disclosure or classification of items in the financial statements when it is apparent that another presentation, disclosure or classification would be more appropriate. For example, a significant acquisition or disposal, or a review of the ~~presentation of the~~ financial statements, might suggest that the financial statements need to be ~~presented differently~~changed. An entity changes the presentation, disclosure or classification of its financial statements only if the ~~changed presentation~~change provides information that is ~~reliable and~~ more ~~relevant~~useful to users of the financial statements and the revised ~~structure~~presentation, disclosure or classification is likely to continue, so that comparability is not impaired. When making such changes ~~in presentation~~, an entity reclassifies its comparative information in accordance with paragraphs ~~41 and 42~~40–41.	IFRS X.B18
	Structure and content	
	Identification of the financial statements	
IAS 1.49	An entity shall clearly identify the financial statements and distinguish them from other information in the same published document (see paragraphs B1–B2).	IFRS X.16

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
IAS 1.50	~~IFRSs~~IFRS Standards apply only to financial statements, and not necessarily to other information ~~presented~~provided in an annual report, a regulatory filing, or another document. Therefore, it is important that users of financial statements can distinguish information that is prepared using ~~IFRSs~~IFRS Standards from other information that may be useful to users but is not the subject of those requirements.	IFRS X.17
IAS 1.51	An entity shall clearly identify each primary financial statement and the notes. In addition, an entity shall display the following information prominently, and repeat it when necessary for the information ~~presented~~provided to be understandable: (a) the name of the reporting entity or other means of identification, and any change in that information from the end of the preceding reporting period; (b) whether the financial statements are of an individual entity or a group of entities; (c) the date of the end of the reporting period or the period covered by the ~~set of~~ financial statements ~~or notes~~; (d) the presentation currency, as defined in IAS 21 *The Effects of Changes in Foreign Exchange Rates*; and (e) the level of rounding used ~~in presenting~~ for the amounts in the financial statements.	IFRS X.18
IAS 1.52	An entity meets the requirements in paragraph ~~51~~16 by ~~presenting~~providing appropriate headings for pages, statements, notes, columns and the like. Judgement is required in determining the best way of ~~presenting~~providing such information. For example, when an entity ~~presents~~provides the financial statements electronically, separate pages are not always used; an entity then ~~presents~~provides the above items to ensure that the information included in the financial statements can be understood.	IFRS X.B1
IAS 1.53	An entity often makes financial statements more understandable by ~~presenting~~providing information in thousands or millions of units of the presentation currency. This is acceptable as long as the entity discloses the level of rounding and does not omit material information.	IFRS X.B2

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
	Statement of financial position	
	Information to be presented in the statement of financial position	
IAS 1.56	When an entity presents current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position, it shall not classify deferred tax assets (liabilities) as current assets (liabilities).	IFRS X.86
IAS 1.57	This [draft] Standard does not prescribe the order or format in which an entity presents items in the statement of financial position. Paragraph ~~54~~82 simply lists items that are sufficiently different in nature or function to warrant separate presentation in the statement of financial position. In addition: (a) applying paragraph 42, line items are included when the size, nature or function of an item or aggregation of similar items is such that separate presentation is relevant to an understanding of the entity's financial position; and (b) the descriptions used and the ordering of items or aggregation of similar items may be amended according to the nature of the entity and its transactions, to provide information that is relevant to an understanding of the entity's financial position. For example, a financial institution may amend the ~~above~~ descriptions in paragraph 82 to provide information that is relevant to the operations of a financial institution.	IFRS X.83
IAS 1.58	~~An~~Applying paragraph 83(a) an entity makes the judgement about whether to present additional items separately on the basis of an assessment of: (a) the nature and liquidity of assets; (b) the function of assets within the entity; and (c) the amounts, nature and timing of liabilities.	IFRS X.B12
IAS 1.59	The use of different measurement bases for different classes of assets suggests that their nature or function differs and, therefore, that an entity presents them as separate line items. For example, different classes of property, plant and equipment can be carried at cost or at revalued amounts in accordance with IAS 16 *Property, Plant and Equipment*.	IFRS X.B13

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
	Current/non-current distinction	
IAS 1.60	An entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position in accordance with paragraphs ~~66–76~~87–88 except when a presentation based on liquidity provides information that ~~is reliable~~ faithfully represents those assets and liabilities and is more relevant. When that exception applies, an entity shall present all assets and liabilities in order of liquidity (see paragraphs B53–B56).	IFRS X.84
IAS 1.61	Whichever method of presentation is adopted, an entity shall disclose the amount expected to be recovered or settled after more than twelve months for each asset and liability line item that combines amounts expected to be recovered or settled: (a) no more than twelve months after the reporting period~~,~~; and (b) more than twelve months after the ~~reporting~~ period.	IFRS X.85
IAS 1.62	~~When~~Applying paragraph 84, when an entity supplies goods or services within a clearly identifiable operating cycle, separate classification of current and non-current assets and liabilities in the statement of financial position provides useful information by distinguishing the net assets that are continuously circulating as working capital from those used in the entity's long-term operations. It also highlights assets that are expected to be realised within the current operating cycle~~,~~ and liabilities that are due for settlement within the same reporting period.	IFRS X.B53
IAS 1.63	For some entities, such as financial institutions, a presentation of assets and liabilities in increasing or decreasing order of liquidity provides information that ~~is reliable~~ faithfully represents those assets and liabilities and is more relevant than a current/non-current presentation because the entity does not supply goods or services within a clearly identifiable operating cycle.	IFRS X.B54
IAS 1.64	In applying paragraph ~~60~~84, an entity is permitted to present some of its assets and liabilities using a current/non-current classification and others in order of liquidity when this provides information that ~~is reliable~~faithfully represents those assets and liabilities and is more relevant. The need for a mixed basis of presentation might arise when an entity has diverse operations.	IFRS X.B55

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
IAS 1.65	Information about expected dates of realisation of assets and liabilities is useful in assessing the liquidity and solvency of an entity. IFRS 7 *Financial Instruments: Disclosures* requires disclosure of the maturity ~~dates~~analysis of financial assets and financial liabilities. Financial assets include trade and other receivables, and financial liabilities include trade and other payables. Information on the expected date of recovery of non-monetary assets, such as inventories and expected date of settlement for liabilities, such as provisions, is also useful, whether assets and liabilities are classified as current or as non-current. For example, an entity discloses in the notes the amount of inventories that are expected to be recovered more than twelve months after the reporting period.	IFRS X.B56
	Current assets	
IAS 1.66	An entity shall classify an asset as current when (see paragraphs B57–B58): (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle; (b) it holds the asset primarily for the purpose of trading; (c) it expects to realise the asset within twelve months after the reporting period; or (d) the asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the ~~reporting~~ period. An entity shall classify all other assets as non-current.	IFRS X.87
IAS 1.67	Paragraph 87 requires an entity to classify as non-current all assets not classified as current. This [draft] Standard uses the term 'non-current' to include tangible, intangible and financial assets of a long-term nature. It does not prohibit the use of alternative descriptions as long as the meaning is clear.	IFRS X.B57

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
IAS 1.68	The operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. When the entity's normal operating cycle is not clearly identifiable, it is assumed to be twelve months. Current assets include assets (such as inventories and trade receivables) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting period. Current assets also include assets held primarily for the purpose of trading (examples include some financial assets that meet the definition of held for trading in IFRS 9) and the current portion of non-current financial assets.	IFRS X.B58
	Current liabilities	
IAS 1.69	An entity shall classify a liability as current when (see paragraphs B59–B65): (a) it expects to settle the liability in its normal operating cycle; (b) it holds the liability primarily for the purpose of trading; (c) the liability is due to be settled within twelve months after the reporting period; or (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the ~~reporting~~ period (see paragraph ~~73~~B62). Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. An entity shall classify all other liabilities as non-current.	IFRS X.88
IAS 1.70	Paragraph 88 specifies when an entity is required to classify a liability as current. Some current liabilities, such as trade payables and some accruals for employee and other operating costs, are part of the working capital used in the entity's normal operating cycle. An entity classifies such operating items as current liabilities even if they are due to be settled more than twelve months after the reporting period. The same normal operating cycle applies to the classification of an entity's assets and liabilities. When the entity's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.	IFRS X.B59

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
IAS 1.71	Other current liabilities are not settled as part of the normal operating cycle, but are due for settlement within twelve months after the reporting period or held primarily for the purpose of trading. Examples are some financial liabilities that meet the definition of held for trading in IFRS 9, bank overdrafts, and the current portion of non-current financial liabilities, dividends payable, income taxes and other non-trade payables. Financial liabilities that provide financing on a long-term basis (ie are not part of the working capital used in the entity's normal operating cycle) and are not due for settlement within twelve months after the ~~reporting~~ period are non-current liabilities, subject to paragraphs ~~74 and 75~~<u>B63–B64</u>.	IFRS X.B60
IAS 1.72	An entity classifies its financial liabilities as current when they are due to be settled within twelve months after the reporting period, even if: (a) the original term was for a period longer than twelve months~~,~~<u>;</u> and (b) an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorised for issue.	IFRS X.B61
IAS 1.73	If an entity expects, and has the discretion, to refinance or roll over an obligation for at least twelve months after the reporting period under an existing loan facility, it classifies the obligation as non-current, even if it would otherwise be due within a shorter period. However, when refinancing or rolling over the obligation is not at the discretion of the entity (for example, there is no arrangement for refinancing), the entity does not consider the potential to refinance the obligation and classifies the obligation as current.	IFRS X.B62
IAS 1.74	When an entity breaches a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the ~~reporting~~ period and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have an unconditional right to defer its settlement for at least twelve months after that date.	IFRS X.B63

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
IAS 1.75	However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least twelve months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.	IFRS X.B64
IAS 1.76	In respect of loans classified as current liabilities, if the following events occur between the end of the reporting period and the date the financial statements are authorised for issue, those events are disclosed as non-adjusting events in accordance with IAS 10 *Events after the Reporting Period*: (a) refinancing on a long-term basis; (b) rectification of a breach of a long-term loan arrangement; and (c) the granting by the lender of a period of grace to rectify a breach of a long-term loan arrangement ending at least twelve months after the reporting period.	IFRS X.B65

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
	Information to be presented either in the statement of financial position or in the notes	
IAS 1.79	An entity shall either disclose in the ~~following, either~~notes or present in the statement of financial position or the statement of changes in equity, ~~or in~~ the ~~notes~~following: (a) for each class of share capital: (i) the number of shares authorised; (ii) the number of shares issued and fully paid, and issued but not fully paid; (iii) par value per share, or that the shares have no par value; (iv) a reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period; (v) the rights, preferences and restrictions attaching to that class including restrictions on the distribution of dividends and the repayment of capital; (vi) shares in the entity held by the entity or by its subsidiaries or associates; and (vii) shares reserved for issue under options and contracts for the sale of shares, including terms and amounts; and (b) a description of the nature and purpose of each reserve within equity.	IFRS X.114
IAS 1.80	An entity without share capital, such as a partnership or trust, shall disclose information equivalent to that required by paragraph ~~79~~114(a), showing changes during the reporting period in each category of equity interest, and the rights, preferences and restrictions attaching to each category of equity interest.	IFRS X.115
	Statement of profit or loss and other comprehensive income	
	Profit or loss for the period	
IAS 1.88	An entity shall recognise all items of income and expense in a reporting period in the statement of profit or loss unless an IFRS Standard requires or permits otherwise (see paragraphs 74–81).	IFRS X.44

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
IAS 1.89	Some ~~IFRSs~~<u>IFRS Standards</u> specify circumstances when an entity recognises particular items outside <u>the statement of</u> profit or loss in the current <u>reporting</u> period. IAS 8 specifies two such circumstances: the correction of errors and the effect of changes in accounting policies. Other ~~IFRSs~~<u>IFRS Standards</u> require or permit components of other comprehensive income that meet the ~~*Conceptual Framework*'s~~ <u>*Conceptual Framework for Financial Reporting*'s</u> definition of income or expense to be excluded from profit or loss (see paragraph ~~7~~<u>B50</u>).	IFRS X.B49
	Other comprehensive income for the period	
IAS 1.90	An entity shall <u>either</u> disclose <u>in the notes or present in the statement presenting comprehensive income</u> the amount of income tax relating to each item of other comprehensive income, including reclassification adjustments~~, either in the statement of profit or loss and other comprehensive income or in the notes~~<u>.</u>	IFRS X.80
IAS 1.91	An entity may present items of other comprehensive income either: (a) net of related tax effects~~,~~<u>;</u> or (b) before related tax effects with one amount shown for the aggregate amount of income tax relating to those items. If an entity elects alternative (b), it shall allocate the tax between ~~the items that might be reclassified subsequently to the~~<u>remeasurements permanently reported outside</u> profit or loss ~~section~~ and ~~those that will not be reclassified subsequently to the~~<u>income and expenses to be included in</u> profit or loss ~~section~~<u>in the future when specific conditions are met</u>.	IFRS X.81
IAS 1.92	An entity shall <u>present in the statement presenting comprehensive income or</u> disclose <u>in the notes</u> reclassification adjustments relating to components of other comprehensive income <u>(see paragraphs B51–B52)</u>.	IFRS X.77

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
IAS 1.93	Other ~~IFRSs~~IFRS Standards specify whether and when amounts previously ~~recognised~~included in other comprehensive income are reclassified to profit or loss. Such reclassifications are referred to in this [draft] Standard as reclassification adjustments. A reclassification adjustment is included with the related component of other comprehensive income in the period that the adjustment is reclassified to profit or loss. These amounts may have been ~~recognised~~included in other comprehensive income as unrealised gains in the current or previous periods. Those unrealised gains must be deducted from other comprehensive income in the period in which the realised gains are reclassified to profit or loss to avoid including them in total comprehensive income twice.	IFRS X.78
IAS 1.94	An entity ~~may present~~disclosing reclassification adjustments in the notes shall present in the statement~~(s) of profit or loss and other~~presenting comprehensive income ~~or in the notes. An entity presenting reclassification adjustments in the notes presents~~the items of other comprehensive income after any related reclassification adjustments.	IFRS X.79
IAS 1.95	Reclassification adjustments arise, for example, on disposal of a foreign operation (see IAS 21) and when some hedged forecast cash flows affect profit or loss (see paragraph 6.5.11(d) of IFRS 9 in relation to cash flow hedges).	IFRS X.B51

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
IAS 1.96	Paragraph 77 requires an entity to present in the statement presenting comprehensive income or disclose in the notes reclassification adjustments relating to the component of other comprehensive income, income and expenses to be included in profit or loss in the future. Reclassification adjustments do not arise on changes in revaluation surplus recognised in accordance with IAS 16 or IAS 38 or on remeasurements of defined benefit plans recognised in accordance with IAS 19. These components are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent reporting periods. Changes in revaluation surplus may be transferred to retained earnings in subsequent periods as the asset is used or when it is derecognised (see IAS 16 and IAS 38). In accordance with IFRS 9, reclassification adjustments do not arise if a cash flow hedge or the accounting for the time value of an option (or the forward element of a forward contract or the foreign currency basis spread of a financial instrument) result in amounts that are removed from the cash flow hedge reserve or a separate component of equity, respectively, and included directly in the initial cost or other carrying amount of an asset or a liability. These amounts are directly transferred to assets or liabilities.	IFRS X.B52
	Information to be presented in the statement(s) of profit or loss and other comprehensive income or in the notes	
IAS 1.98	Circumstances that would give rise to the separate presentation in the statement(s) of financial performance or disclosure in the notes of items of income and expense include: (a) write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs; (b) restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring; (c) disposals of items of property, plant and equipment; (d) disposals of investments; ~~(e)~~ ~~discontinued operations;~~ ~~(f)~~(e) litigation settlements; and ~~(g)~~(f) ~~other~~ reversals of provisions.	IFRS X.B15

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
	Statement of changes in equity	
	Information to be presented in the statement of changes in equity	
IAS 1.106	An entity shall present a statement of changes in equity as required by paragraph 10. The statement of changes in equity includes the following information: (a) total comprehensive income for the reporting period, showing separately the total amounts attributable to ~~owners~~holders of claims against the parent classified as equity and to non-controlling interests; (b) for each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with IAS 8; and ~~(c)~~ ~~[deleted]~~ ~~(d)~~(c) for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately (as a minimum) ~~disclosing~~presenting changes resulting from: (i) profit or loss; (ii) other comprehensive income; and (iii) transactions with ~~owners~~holders of claims classified as equity in their capacity as ~~owners~~holders of claims classified as equity, showing separately contributions by and distributions to ~~owners~~holders of claims classified as equity and changes in ~~ownership interests in~~claims classified as equity against subsidiaries that do not result in a loss of control.	IFRS X.89
	Information to be presented in the statement of changes in equity or in the notes	
IAS 1.106A	For each component of equity an entity shall either present~~,~~ ~~either~~ in the statement of changes in equity or disclose in the notes~~,~~ an analysis of other comprehensive income by item (see paragraph ~~106(d)~~89(c)(ii)).	IFRS X.91
IAS 1.107	An entity shall either present~~, either~~ in the statement of changes in equity or disclose in the notes~~,~~ the amount of dividends recognised as distributions to ~~owners~~holders of claims classified as equity during the reporting period, and the related amount of dividends per share.	IFRS X.92

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
IAS 1.108	In paragraph ~~106,~~89, the components of equity include, for example, each class of contributed equity, the accumulated balance of each class of other comprehensive income and retained earnings.	IFRS X.93
IAS 1.109	Changes in an entity's equity between the beginning and the end of the reporting period reflect the increase or decrease in its net assets during the period. Except for changes resulting from transactions ~~owners~~with holders of claims classified as equity in their capacity as ~~owners~~holders of claims classified as equity (such as equity contributions, reacquisitions of the entity's own equity instruments and dividends) and transaction costs directly related to such transactions, the overall change in equity during a period represents the total amount of income and expense, including gains and losses, generated by the entity's activities during that period.	IFRS X.94
IAS 1.110	IAS 8 requires retrospective adjustments to effect changes in accounting policies, to the extent practicable, except when the transition provisions in another IFRS Standard require otherwise. IAS 8 also requires restatements to correct errors to be made retrospectively, to the extent practicable. Retrospective adjustments and retrospective restatements are not changes in equity, but they are adjustments to the opening balance of retained earnings, except when an IFRS Standard requires retrospective adjustment of another component of equity. Paragraph ~~106~~89(b) requires ~~disclosure~~presentation in the statement of changes in equity of the total adjustment to each component of equity resulting from changes in accounting policies and, separately, from corrections of errors. These adjustments are ~~disclosed~~presented for each prior reporting period and the beginning of the period.	IFRS X.90
	Statement of cash flows	
IAS 1.111	Cash flow information provides users ~~of financial statements~~ with a basis to assess the ability of the entity to generate cash and cash equivalents and the needs of the entity to utilise those cash flows. IAS 7 sets out requirements for the presentation and disclosure of cash flow information.	IFRS X.95

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
	Notes	
	Structure	
IAS 1.112	~~The notes~~An entity shall disclose in the notes: (a) ~~present~~ information about the basis of preparation of the financial statements (see paragraphs 6K–6N of IAS 8) and the specific accounting policies used ~~in accordance with~~ (see paragraphs ~~117–124~~28A–28G of IAS 8); (b) ~~disclosure the~~ information required by ~~IFRSs~~IFRS Standards that is not presented ~~elsewhere~~ in the primary financial statements; and (c) ~~provide~~ information that is not presented ~~elsewhere~~ in the primary financial statements, but is relevant to an understanding of any of them.	IFRS X.96
IAS 1.113	An entity shall, as far as practicable, present notes in a systematic manner. In determining a systematic manner, the entity shall consider the effect on the understandability and comparability of its financial statements. An entity shall cross-reference each item in the primary financial statements ~~of financial position and in the statement(s) of profit or loss and other comprehensive income, and in the statements of changes in equity and of cash flows~~ to any related information in the notes (see paragraph B66).	IFRS X.97

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
IAS 1.114	Paragraph 97 requires an entity to present notes in a systematic manner. Examples of systematic ordering or grouping of the notes include: (a) giving prominence to the areas of its activities that the entity considers to be most relevant to an understanding of its financial performance and financial position, such as grouping together information about particular ~~operating~~business activities; (b) grouping together information about items measured similarly such as assets measured at fair value; or (c) following the order of the line items in the statement(s) of ~~profit or loss and other comprehensive income~~financial performance and the statement of financial position, such as: (i) statement of compliance with ~~IFRSs~~IFRS Standards (see paragraph ~~16~~6B of IAS 8); (ii) significant accounting policies applied (see paragraph ~~117~~28A of IAS 8); (iii) supporting information for items presented in the statements of financial position and in the statement(s) of ~~profit or loss and other comprehensive income~~financial performance, and in the statements of changes in equity and of cash flows, in the order in which each statement is provided and each line item is presented; and (iv) other disclosures, including: (1) contingent liabilities (see IAS 37) and unrecognised contractual commitments; and (2) non-financial disclosures, eg the entity's financial risk management objectives and policies (see IFRS 7).	IFRS X.B66
IAS 1.116	An entity may ~~present~~ disclose notes providing information about the basis of preparation of the financial statements and specific accounting policies as a separate section of the financial statements.	IFRS X.98

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
	Capital	
IAS 1.134	An entity shall disclose in the notes information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.	IFRS X.111
IAS 1.135	To comply with paragraph ~~134~~111, the entity discloses in the notes the following: (a) qualitative information about its objectives, policies and processes for managing capital, including: (i) a description of what it manages as capital; (ii) when an entity is subject to externally imposed capital requirements, the nature of those requirements and how those requirements are incorporated into the management of capital; and (iii) how it is meeting its objectives for managing capital. (b) summary quantitative data about what it manages as capital. Some entities regard some financial liabilities (eg some forms of subordinated debt) as part of capital. Other entities regard capital as excluding some components of equity (eg components arising from cash flow hedges). (c) any changes in (a) and (b) from the previous reporting period. (d) whether during the period it complied with any externally imposed capital requirements to which it is subject. (e) when the entity has not complied with such externally imposed capital requirements, the consequences of such non-compliance. The entity bases these note disclosures on the information provided internally to key management personnel.	IFRS X.112

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IAS 1 para #	Revised text (new text underlined, deleted text struck through)	New para #
IAS 1.136	An entity may manage capital in a number of ways and be subject to a number of different capital requirements. For example, a conglomerate may include entities that undertake insurance activities and banking activities and those entities may operate in several jurisdictions. When an aggregate disclosure of capital requirements and how capital is managed would not provide useful information or distorts a financial statement ~~user'~~user's understanding of an entity's capital resources, the entity shall disclose separate information for each capital requirement to which the entity is subject.	IFRS X.113
	Other disclosures	
IAS 1.137	An entity shall disclose in the notes: (a) the amount of dividends proposed or declared before the financial statements were authorised for issue but not recognised as a distribution to ~~owners~~holders of claims classified as equity during the reporting period, and the related amount per share; and (b) the amount of any cumulative preference dividends not recognised.	IFRS X.116
IAS 1.138	An entity shall disclose in the notes the following, if not disclosed elsewhere in information published with the financial statements: (a) the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office); (b) a description of the nature of the entity's operations and its ~~principal~~main business activities; (c) the name of the parent and the ultimate parent of the group; and (d) if it is a limited life entity, information regarding the length of its life.	IFRS X.99

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