Disclosure checklist

Guide to condensed interim financial statements

IFRS®

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About this guide

This guide has been produced by the KPMG International Standards Group (part of KPMG IFRG Limited) and the views expressed herein are those of the KPMG International Standards Group.

The guide is intended to help preparers in the preparation and presentation of condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting* by identifying the potential disclosures required. In addition, it includes the minimum disclosures required in the condensed interim financial statements of a first-time adopter of IFRS.

Content

The disclosure requirements in IAS 34 assume that users of an entity's interim financial statements will have access to the most recent annual financial statements of that entity. Therefore, unless the entity presents its interim financial statements in the form of a complete set of financial statements as described in IAS 1 *Presentation of Financial Statements*, it is unnecessary for the notes to the interim financial statements to provide insignificant updates to the information that was reported in the notes to the most recent annual financial statements.

However, the entity has to ensure that the interim financial statements include all information that is relevant to understanding its financial position and performance during the interim reporting period. This may result in the disclosure of information beyond the minimum requirements when it is necessary for such an understanding.

Standards covered

This guide is based on standards and interpretations that have been issued by the IASB as at 15 March 2016 and that are required to be applied by an entity with an annual reporting period beginning on 1 January 2016 ('currently effective requirements'). Disclosure requirements based on standards that are effective for annual reporting periods beginning after 1 January 2016 ('forthcoming requirements') and that are available for voluntary early adoption will be set out in our *Guide to annual financial statements – Disclosure checklist* (to be published in September 2016).

This guide contains disclosures only. It does not specify the scope of the standards referred to or their recognition and measurement requirements, or explain the terms that are used in IFRS and contained in this guide.

In addition, IFRS and its interpretation change over time. Accordingly, this guide should not be used as a substitute for referring to the standards and other relevant interpretative guidance.

Preparers should also consider applicable local legal and regulatory requirements. This guide does not consider the requirements of any particular jurisdiction – e.g. IFRS does not require the presentation of separate financial statements for the parent entity. Consequently, this guide includes only consolidated financial statements.

What's new in 2016?

Appendix I provides a comprehensive list of new requirements, distinguishing between those that are effective for an entity with an annual reporting period beginning on 1 January 2016, and those with a later effective date.

As part of the *Annual Improvements to IFRSs 2012–2014 Cycle*, issued in September 2014, paragraph 16A of IAS 34 has been amended to clarify that certain disclosures, if they are not included in the notes to the interim financial statements, may be disclosed "elsewhere in the interim financial report" – i.e. incorporated by cross-reference from the interim financial statements to another statement (e.g. the management commentary or risk report) that is available to users of the interim financial statements on the same terms and at the same time as the interim financial statements. This amendment applies retrospectively for annual periods beginning on or after 1 January 2016.

Other new requirements do not contain specific disclosure requirements for interim financial statements, unless they are necessary to explain events that are significant to an understanding of the changes in the entity's financial position and performance since the last annual reporting date.

Need for judgement

This guide is part of our suite of publications – Guides to financial statements – and specifically focuses on compliance with IAS 34. The preparation and presentation of financial statements requires the preparer to exercise judgement, in terms of the choice of accounting policies, the ordering of notes to the financial statements, how the disclosures should be tailored to reflect the reporting entity's specific circumstances, and the relevance of disclosures considering the needs of the users.

Materiality

Specific guidance on materiality and its application to interim financial statements is included in paragraph 23 of IAS 34.

Materiality is relevant to the presentation and disclosure of items in the interim financial statements and materiality should be assessed based on interim period financial information, not the full annual reporting period. The overriding goal is to ensure that an interim financial report includes all information that is relevant to understanding an entity's financial position on the interim reporting date and its financial performance during the interim period.

An entity is not permitted to reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material information that is different by nature or function. Individual disclosures that are not material to the financial statements do not have to be presented – even if they are a minimum requirement of a standard. The preparer should determine the appropriate level of disclosure based on materiality for the interim period.

References and abbreviations

References are included in the left-hand margin of this guide to identify their sources.

IAS 34.15	Paragraph 15 of IAS 34.
Insights 5.9.30.10	Paragraph 5.9.30.10 of the 12th edition 2015/16 of our publication Insights into IFRS.
||	Major change since the previous edition of this guide.

The following abbreviations are used often in this guide.

NCI	Non-controlling interests
OCI	Other comprehensive income

The checklist

Form and content

IAS 34.8

Include, at a minimum, the following components:

a. a condensed statement of financial position;
b. a condensed statement or statements of profit or loss and OCI, presented as either:
   i. a condensed single statement; or
   ii. a separate condensed statement of profit or loss and a condensed statement of comprehensive income;
c. a condensed statement of changes in equity;
d. a condensed statement of cash flows; and
e. selected explanatory notes.

IAS 34.7, 9

If an entity publishes a complete set of financial statements in its interim financial report, then the form and content of those statements conform to the requirements of IAS 1 *Presentation of Financial Statements* for a complete set of financial statements. The recognition and measurement guidance in IAS 34 also applies to complete financial statements for an interim reporting period, and such statements would include all of the disclosures required by IAS 34 (particularly the selected note disclosures in IAS 34.16A) as well as those required by other IFRSs.

IAS 34.10

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

IAS 34.10

Include additional line items or notes if their omission would make the condensed interim financial statements misleading.

Insights 5.9.30.10

In our view the interim financial statements should focus on changes since the last annual financial statements. However, an entity should consider whether information disclosed in the last annual financial statements remains relevant. If changes in circumstances have made significant disclosures in the last annual financial statements less relevant, then in our view an entity should consider whether additional supplementary interim disclosures should be provided.

IAS 34.14

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

Insights 5.9.10.40

In our view, this approach is not required if an entity disposes of its last subsidiary during the interim period. In this case, because the entity no longer is a parent at the interim reporting date, consolidated financial statements are no longer required unless otherwise prescribed – e.g. by a local regulator (see Insights 2.1.100.100). In such cases, we believe that interim financial statements – including the comparatives – should be presented as unconsolidated financial statements and identified as such. Disclosure of the previously reported consolidated information as supplementary information may be useful.

Statement of financial position

IAS 34.20(a)

Include a statement of financial position as at the end of the current interim reporting period and a comparative statement of financial position as at the end of the immediately preceding financial year.

Statement of profit or loss and OCI

IAS 34.20(b)

Include statements of profit or loss and OCI:

a. for the current interim reporting period;
b. cumulatively for the current financial year to date; and
c. comparative information for the comparable interim reporting periods (current and year-to-date) of the immediately preceding financial year.

Insights 5.9.30.40

In our view, this means the period between the end of the last reporting period and the end of the current reporting period when an entity reports more than once during the financial year. An entity may not, for example, define an interim period as a year-to-date period to the current reporting date, and on that basis prepare a condensed statement of profit or loss and OCI for the year-to-date period only. For example, we believe that an entity reporting quarterly and claiming compliance with IAS 34 should present in its half-year interim report a statement of profit or loss and OCI for each of the three months and the six months ending on the current reporting date, as well as for the comparable periods of the immediately preceding financial year.

IAS 34.8A

If an entity presents the components of profit or loss in a separate statement of profit or loss as described in IAS 1.10A, then present interim condensed information from that separate statement.

IAS 34.11, 11A

If an entity is within the scope of IAS 33 *Earnings per Share*, then present basic and diluted earnings per share in the statement that presents the components of profit or loss for the interim reporting period. If an entity presents the components of profit or loss in a separate statement of profit or loss, then present basic and diluted earnings per share in that separate statement.

Statement of changes in equity

IAS 34.20(c)

Include a statement of changes in equity cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year.

Statement of cash flows

IAS 34.20(d)

Include a statement of cash flows cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year.

Notes to the interim financial statements

General requirements

IAS 34.15

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

Insights 5.9.70.30

In our view, management should exercise judgement to decide what comparative information should be included in the explanatory notes.

IAS 34.15B–15C

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

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

Insights 5.9.60.60

In our view, an entity does not generally have to update the disclosure of related party relationships unless there has been a significant change, such as a change in the controlling investor.

IAS 34.15

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

a. changes in significant judgements and assumptions made by management, as well as areas of estimation uncertainty;
b. disclosures required by IFRS 7 *Financial Instruments: Disclosures*, if changes in the entity's financial risk management objectives and policies or in the nature and extent of risks arising from financial instruments occur during the interim reporting period;
c. disclosures required by IAS 36 *Impairment of Assets*, if the entity's annual impairment testing of goodwill and intangible assets with indefinite useful lives occurs during an interim reporting period;
d. significant changes in the effective income tax rate;

e. significant changes in the carrying amounts of assets and liabilities measured at fair value;
f. disclosures required by IFRS 2 *Share-based Payment*, if the entity grants a share-based payment award during the current interim reporting period;
g. disclosures required by IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, if the entity has operations that are discontinued at the end of the interim reporting period or are disposed of during the interim reporting period, or non-current assets or a disposal group classified as held-for-sale at the end of the interim reporting period;
h. acquisitions, disposals and commitments for the purchase of significant categories of non-current assets, in addition to property, plant and equipment; and
i. material movements in provisions during the interim reporting period.

Insights 5.9.40.20

In our view if an entity has operations that are discontinued at the interim reporting date or are disposed of during the interim period, then these operations should be presented separately in the condensed statement of profit or loss and OCI following IFRS 5 (see Insights 5.4.220). In addition, in our view if an entity has non-current assets or a disposal group classified as held-for-sale or held-for-distribution at the interim reporting date, then we believe that these should be presented separately from other assets and liabilities in the condensed statement of financial position (see Insights 5.4.110).

Statement of compliance

IAS 34.19

If an entity's interim financial statements are in compliance with IAS 34, then disclose that fact. A set of interim financial statements is not described as complying with IFRS unless it complies with all the requirements of IFRS.

Accounting policies

IAS 34.16A(a)

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

IAS 34.43

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

a. restating the financial statements of prior interim reporting periods of the current financial year and the comparable interim reporting periods of any prior financial years that will be restated in the annual financial statements in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*; or
b. when it is impracticable to determine the cumulative effect at the beginning of the financial year of applying a new accounting policy to all prior periods, adjusting the financial statements of prior interim reporting periods of the current financial year, and comparable interim reporting periods of prior financial years to apply the new accounting policy prospectively from the earliest date practicable.

Segment information

IAS 34.16A(g) If an entity is within the scope of IFRS 8 *Operating Segments*, then it discloses the following segment information in its interim financial statements:

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

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

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

IAS 34.16A(g)(iv) d. a measure of total assets and liabilities for a particular reportable segment, if regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment;

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

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

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

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

Changes in composition of the entity

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

a. business combinations;
b. obtaining or losing control of subsidiaries and long-term investments;
c. restructurings; and
d. discontinued operations.

In the case of business combinations, disclose the information required by IFRS 3 *Business Combinations*. These required disclosures are included in our Guide to annual financial statements – Disclosure checklist (September 2015 edition).

Seasonality

IAS 34.16A(b)

Provide explanatory comments about the seasonality or cyclicality of interim operations.

IAS 34.21

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

Estimates

IAS 34.16A(d)

Disclose the nature and amount of changes in estimates of amounts reported in prior interim reporting periods of the current financial year or changes in estimates of amounts reported in prior financial years.

Financial instruments

IAS 34.16A(j), IFRS 13.91

Disclose information that helps users of the interim financial statements assess both of the following:

a. for assets and liabilities that are measured at fair value in the statement of financial position after initial recognition, the valuation techniques and inputs used to develop those measurements; and
b. for fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or OCI for the interim reporting period.

IAS 34.16A(j), IFRS 13.92

To meet the objectives of the disclosure mentioned above, an entity considers all of the following:

a. the level of detail necessary to satisfy the disclosure requirements;
b. how much emphasis to place on each of the various requirements;
c. how much aggregation or disaggregation to undertake; and
d. whether users of financial statements need additional information to evaluate the quantitative information disclosed.

If the specific disclosures above are insufficient to meet the objectives in IFRS 13.91, then disclose additional information necessary to meet those objectives.

IAS 34.16A(j), IFRS 13.99

Present the quantitative disclosures required by IFRS 13 in a tabular format unless another format is more appropriate.

IAS 34.16A(j), IFRS 13.93(a)–(h)

Disclose, at a minimum, the following information for each class of financial assets and financial liabilities (see IFRS 13.94 for information on determining appropriate classes) measured at fair value in the statement of financial position after initial recognition:

a. the fair value measurement at the end of the interim reporting period, and for non-recurring fair value measurements, the reasons for the measurement;

b. the level of the fair value hierarchy within which the fair value measurements are categorised in their entirety (Level 1, 2 or 3);

c. for assets and liabilities held at the end of the interim reporting period that are measured at fair value, the amounts of any transfers between Level 1 and Level 2 of the fair value hierarchy, the reasons for those transfers and the entity's policy for determining when transfers between levels are deemed to have occurred. Transfers into each level are disclosed and discussed separately from transfers out of each level;

d. for fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) and the inputs used in the fair value measurement. If there has been a change in valuation technique, then disclose that change and the reason(s) for making it. For fair value measurements categorised within Level 3 of the fair value hierarchy, provide quantitative information about the significant unobservable inputs used in the fair value measurement. It is not required to create quantitative information to comply with this disclosure requirement if quantitative unobservable inputs are not developed by the entity when measuring fair value. However, when providing this disclosure the entity cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to the entity;

e. for fair value measurements categorised within Level 3 of the fair value hierarchy, a reconciliation from the opening balances to the closing balances, disclosing separately changes during the interim reporting period attributable to the following:
   i. total gains or losses for the interim reporting period recognised in profit or loss, and the line item(s) in profit or loss in which those gains or losses are recognised;
   ii. total gains or losses for the period recognised in OCI, and the line item(s) in OCI in which those gains or losses are recognised;
   iii. purchases, sales, issues and settlements (each of these types of changes disclosed separately); and
   iv. the amounts of any transfers into or out of Level 3 of the fair value hierarchy, the reasons for those transfers and the entity's policy for determining when transfers between levels are deemed to have occurred. Transfers into Level 3 are disclosed and discussed separately from transfers out of Level 3;

f. for fair value measurements categorised within Level 3 of the fair value hierarchy, the amount of the total gains or losses for the interim reporting period in (e)(i) included in profit or loss that is attributable to the change in unrealised gains or losses relating to those assets and liabilities held at the end of the interim reporting period, and the line item(s) in profit or loss in which those unrealised gains or losses are recognised;

g. for fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation processes used by the entity (including, for example, how the entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period); and

h. for fair value measurements categorised within Level 3 of the fair value hierarchy:
   i. a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement. If there are inter-relationships between those inputs and other unobservable inputs used in the fair value measurement, then the

entity also provides a description of those inter-relationships and of how they might magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement. To comply with this disclosure requirement, the narrative description of the sensitivity to changes in unobservable inputs includes, at a minimum, the unobservable inputs disclosed when complying with (d); and

ii. if changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly, then state that fact and disclose the effect of those changes. Disclose how the effect of a change to reflect a reasonably possible alternative assumption was calculated. For that purpose, significance is judged with respect to profit or loss, and total assets or total liabilities, or, when changes in fair value are recognised in OCI, total equity.

IAS 34.16A(j), IFRS 13.94

When disclosing information by classes of financial assets and financial liabilities, provide information sufficient to permit reconciliation to the line items presented in the statement of financial position.

IAS 34.16A(j), IFRS 13.95

Disclose and consistently follow the policy for determining when transfers between levels of the fair value hierarchy are deemed to have occurred in accordance with IFRS 13.93(c) and (e)(iv). The policy about the timing of recognising transfers is the same for transfers into the levels as for transfers out of the levels. Examples of policies for determining the timing of transfers include the following:

a. the date of the event or change in circumstances that caused the transfer;
b. the beginning of the interim reporting period; and
c. the end of the interim reporting period.

IAS 34.16A(j), IFRS 13.96

If the entity makes an accounting policy choice to use the exception as set out in IFRS 13.48 in respect of a group of financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, then disclose that fact.

IAS 34.16A(j), IFRS 13.98

For a liability measured at fair value and issued with an inseparable third-party credit enhancement, disclose the existence of that credit enhancement and whether it is reflected in the fair value measurement of the liability.

IAS 34.16A(j), IFRS 7.25

Except as set out in IFRS 7.29, for each class of financial assets and financial liabilities, disclose the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount.

IAS 34.16A(j), IFRS 7.26

In disclosing fair values, financial assets and financial liabilities are grouped into classes; financial assets and financial liabilities are offset only to the extent that their carrying amounts are offset in the statement of financial position.

IAS 34.16A(j), IFRS 7.29

Disclosures of fair value are not required:

a. when the carrying amount is a reasonable approximation of fair value – e.g. for financial instruments such as short-term trade receivables and payables;
b. for an investment in equity instruments that do not have a quoted market price in an active market for an identical instrument (i.e. a Level 1 input), or derivatives linked to such equity instruments, that is measured at cost in accordance with IAS 39 because its fair value cannot be measured reliably; or

c. for a contract containing a discretionary participation feature (as described in IFRS 4) if the fair value of that feature cannot be measured reliably.

IAS 34.16A(j), IFRS 7.28

In some cases, an entity does not recognise a gain or loss on initial recognition of a financial asset or financial liability because the fair value is neither evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) nor based on a valuation technique that uses only data from observable markets (see IAS 39.AG76). In such cases, the entity discloses by class of financial asset or financial liability:

a. its accounting policy for recognising in profit or loss the difference between the fair value at initial recognition and the transaction price to reflect a change in factors (including time) that market participants would take into account when pricing the asset or liability (see IAS 39.AG76(b));
b. the aggregate difference yet to be recognised in profit or loss at the beginning and end of the interim reporting period and a reconciliation of changes in the balance of this difference; and
c. why the entity concluded that the transaction price was not the best evidence of fair value, including a description of the evidence that supports the fair value.

Disclosures when fair value cannot be measured reliably

IAS 34.16A(j), IFRS 7.30

Disclose information to help users of the interim financial statements make their own judgements about the extent of possible differences between the carrying amount of those financial assets or financial liabilities and their fair value, including:

a. the fact that fair value information has not been disclosed for these instruments because their fair value cannot be measured reliably;
b. a description of the financial instruments, their carrying amount and an explanation of why fair value cannot be measured reliably;
c. information about the market for the instruments;
d. information about whether and how the entity intends to dispose of the financial instruments; and
e. if financial instruments whose fair value previously could not be reliably measured are derecognised, that fact, their carrying amount at the time of derecognition and the amount of gain or loss recognised.

Subsequent events

IAS 34.16A(h)

Disclose events after the interim reporting period that have not been reflected in the financial information for the interim reporting period.

Other disclosures

IAS 34.16A(c)

Disclose the nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence.

IAS 34.16A(e)

Disclose issues, repurchases and repayments of debt and equity securities.

IAS 34.16A(f)

Disclose dividends paid (aggregate or per share) separately for ordinary shares and other shares.

IAS 34.16A(k), IFRS 12.9B	For entities becoming, or ceasing to be, investment entities, as defined in IFRS 10 *Consolidated Financial Statements*, disclose:
	a. the change of investment entity status; and
	b. the reasons for the change.
IFRS 12.9B	If the entity becomes an investment entity then disclose the effect of the change of status on the financial statements for the period presented, including:
IFRS 12.9B(a)	a. the total fair value, as of the date of change of status, of the subsidiaries that cease to be consolidated;
IFRS 12.9B(b)	b. the total gain or loss, if any, calculated in accordance with IFRS 10.B101; and
IFRS 12.9B(c)	c. the line item(s) in profit or loss in which the gain or loss is recognised (if not presented separately).
IAS 34.16A	If the disclosures required by IAS 34.16A have not been disclosed in the notes to the interim financial statements but elsewhere in the interim financial report, then include a cross-reference to that statement (e.g. management commentary or risk report) and make it available to users of the financial statements on the same terms as the interim financial statements and at the same time.

Appendix I

New standards or amendments for 2016 and forthcoming requirements

Since the April 2015 edition of this guide, a number of standards, amendments and interpretations have been issued. This Appendix lists those new requirements that have been issued by the IASB as at 15 March 2016, and contains two tables, as follows.

- **New currently effective requirements:** This table lists the recent changes to IFRS that are required to be applied by an entity with an annual reporting period beginning on 1 January 2016.
- **Forthcoming requirements:** This table lists the recent changes to IFRS that are required to be applied for an annual period beginning after 1 January 2016 and that are available for early adoption in annual periods beginning on 1 January 2016. These requirements are not included in this guide.

The tables also include references to KPMG guidance, as appropriate.

New currently effective requirements

Effective date	New amendments or interpretations	KPMG guidance
1 January 2016	IFRS 14 *Regulatory Deferral Accounts*	In the Headlines – Issue 2014/01
	Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	Web article
	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	In the Headlines – Issue 2014/08
	Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	In the Headlines – Issue 2014/12
	Equity Method in Separate Financial Statements (Amendments to IAS 27)	Web article
	Annual Improvements to IFRSs 2012–2014 Cycle – various standards	IFRS Newsletter: The Balancing Items – Issue 7
	Investment Entities: Applying the Consolidated Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	Web article
	Disclosure Initiative (Amendments to IAS 1)	Web article

Forthcoming requirements

Effective date	New standards or amendments	KPMG guidance
1 January 2017	*Disclosure Initiative (Amendments to IAS 7)*	Web article
	Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	Web article
1 January 2018	IFRS 15 *Revenue from Contracts with Customers*	*Insights into IFRS* (Chapter 4.2A), Web article (with links to in-depth analysis)
	IFRS 9 *Financial Instruments*	*Insights into IFRS* (Chapters 7A and 7B), Web article (with links to in-depth analysis)
1 January 2019	IFRS 16 *Leases*	Web article (with links to in-depth analysis)
To be determined	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)*	Web article

Appendix II

First-time adoption

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

Form and content

IFRS 1.33

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

IFRS 1.21

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

a. three statements of financial position;
b. two statements of profit or loss and OCI;
c. two separate statements of profit or loss, if presented;
d. two statements of cash flows;
e. two statements of changes in equity; and
f. related notes, including comparative information.

Reconciliations

IFRS 1.23

Explain how the transition from previous GAAP to IFRS affected its reported financial position, financial performance and cash flows.

IFRS 1.32

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

IFRS 1.32(a)

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

IFRS 1.32(b)

b. In addition to the reconciliations required by (a), in the *first* interim financial statements, the following reconciliations supplemented by the details required by paragraphs 25 and 26 of IFRS 1 *First-time Adoption of*

International Financial Reporting Standards or a cross-reference to another published document that includes:

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

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

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

IFRS 1.24(b) – reconciliation to total comprehensive income under IFRS for the latest period in the entity's most recent annual financial statements. The starting point for that reconciliation is total comprehensive income under previous GAAP for the same period, or if the entity did not report such a total, then profit or loss under previous GAAP.

IFRS 1.25 If an entity presented a statement of cash flows under its previous GAAP, then also explain the material adjustments to the statement of cash flows.

IFRS 1.26 Distinguish errors made under its previous GAAP from changes in accounting policies in the reconciliations required by IFRS 1.24(a) and (b).

Changes in accounting policies or use of exemptions

IFRS 1.32(c) If an entity changes its accounting policies or its use of the exemptions contained in IFRS 1, then explain the changes in the interim financial statements in accordance with IFRS 1.23 and update the reconciliations required by IFRS 1.32(a) and 32(b).

Non-IFRS comparative information and historical summaries

IFRS 1.22 If an entity voluntarily includes historical summaries of selected data or comparative information in accordance with previous GAAP in addition to the comparative information required by IAS 1, then:

a. label the previous GAAP information prominently as not being prepared in accordance with IFRS; and
b. disclose the nature of the main adjustments that would make it comply with IFRS; quantitative information of those adjustments is not required.

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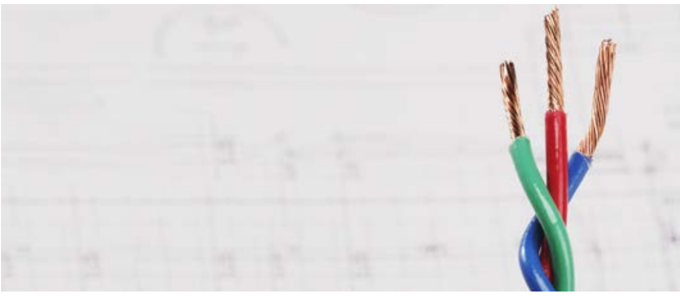

Business combinations and consolidation

Presentation and disclosures

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