

**SB-FRS 1 PRESENTATION OF
FINANCIAL STATEMENTS**

An entity shall apply this Standard for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 for an earlier period, the amendments shall be applied for that earlier period.

This Standard is equivalent to FRS 1 *Presentation of Financial Statements* issued by the Accounting Standards Council on 28 March 2008.

CONTENTS

	<i>paragraphs</i>
INTRODUCTION	IN1–IN16
STATUTORY BOARD FINANCIAL REPORTING STANDARD 1 PRESENTATION OF FINANCIAL STATEMENTS	
OBJECTIVE	1
SCOPE	2–6
DEFINITIONS	7–8
FINANCIAL STATEMENTS	9–46
Purpose of financial statements	9
Complete set of financial statements	10–14
General features	15–46
Fair presentation and compliance with SB-FRSs	15–24
Going concern	25–26
Accrual basis of accounting	27–28
Materiality and aggregation	29–31
Offsetting	32–35
Frequency of reporting	36–37
Comparative information	38–44
Consistency of presentation	45–46
STRUCTURE AND CONTENT	47–138
Introduction	47–48
Identification of the financial statements	49–53
Statement of financial position	54–80
Information to be presented in the statement of financial position	54–59
Current/non-current distinction	60–65
Current assets	66–68
Current liabilities	69–76
Information to be presented either in the statement of financial position or in the notes	77–80
Statement of comprehensive income	81–105

Information to be presented in the statement of comprehensive income	82–87
Profit or loss for the period	88–89
Other comprehensive income for the period	90–96
Information to be presented in the statement of comprehensive income or in the notes	97–105
Statement of changes in equity	106–110
Statement of cash flows	111
Notes	112–138
Structure	112–116
Disclosure of accounting policies	117–124
Sources of estimation uncertainty	125–133
Capital	134–136
Other disclosures	137–138
TRANSITION AND EFFECTIVE DATE	139
WITHDRAWAL OF SB-FRS 1 (REVISED 2006)	140
APPENDIX: Amendments to other pronouncements	
IMPLEMENTATION GUIDANCE	
APPENDIX: Amendments to guidance on other SB-FRSs	
TABLE OF CONCORDANCE	

Statutory Board Financial Reporting Standard 1 *Presentation of Financial Statements* (SB-FRS 1) is set out in paragraphs 1–140 and the Appendix. All the paragraphs have equal authority. SB-FRS 1 should be read in the context of its objective, the *Preface to the Statutory Board Financial Reporting Standards* and the *Framework for the Preparation and Presentation of Financial Statements*. SB-FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

FINANCIAL REPORTING STANDARD

FRS 1

Introduction

IN1 Statutory Board Financial Reporting Standard 1 *Presentation of Financial Statements* (SB-FRS 1) replaces SB-FRS 1 *Presentation of Financial Statements* (revised in 2006) as amended in 2007. SB-FRS 1 sets overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

Reasons for revising SB-FRS 1

IN2 The main objective of revising SB-FRS 1 was to aggregate information in the financial statements on the basis of shared characteristics. With this in mind, it was considered useful to separate changes in equity (net assets) of an entity during a period arising from transactions with owners in their capacity as owners from other changes in equity. Consequently, it was decided that all owner changes in equity should be presented in the statement of changes in equity, separately from non-owner changes in equity.

IN3 FASB Statement No. 130 *Reporting Comprehensive Income* (SFAS 130) issued in 1997 was also considered. The requirements in SB-FRS 1 regarding the presentation of the statement of comprehensive income are similar to those in SFAS 130; however, some differences remain.

IN4 In addition, the intention in revising SB-FRS 1 was to improve and reorder sections of SB-FRS 1 to make it easier to read. The objective was not to reconsider all the requirements of SB-FRS 1.

Main features of SB-FRS 1

IN5 SB-FRS 1 affects the presentation of owner changes in equity and of comprehensive income. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other SB-FRSs.

IN6 SB-FRS 1 requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (ie comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

IN7 SB-FRS 1 requires an entity to present a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes a retrospective restatement, as defined in SB-FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, or when the entity reclassifies items in the financial statements.

IN8 SB-FRS 1 requires an entity to disclose reclassification adjustments and income tax relating to each component of other comprehensive income. Reclassification adjustments are the amounts reclassified to profit or loss in the current period that were previously recognised in other comprehensive income.

- IN9 SB-FRS 1 requires the presentation of dividends recognised as distributions to owners and related amounts per share in the statement of changes in equity or in the notes. Dividends are distributions to owners in their capacity as owners and the statement of changes in equity presents all owner changes in equity.

Changes from previous requirements

- IN10 The main changes from the previous version of SB-FRS 1 are described below.

A complete set of financial statements

- IN11 The previous version of SB-FRS 1 used the titles 'balance sheet' and 'cash flow statement' to describe two of the statements within a complete set of financial statements. SB-FRS 1 uses 'statement of financial position' and 'statement of cash flows' for those statements. The new titles reflect more closely the function of those statements, as described in the *Framework*.
- IN12 SB-FRS 1 requires an entity to disclose comparative information in respect of the previous period, ie to disclose as a minimum two of each of the statements and related notes. It introduces a requirement to include in a complete set of financial statements a statement of financial position as at the beginning of the earliest comparative period whenever the entity retrospectively applies an accounting policy or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements. The purpose is to provide information that is useful in analysing an entity's financial statements.

Reporting owner changes in equity and comprehensive income

- IN13 The previous version of SB-FRS 1 required the presentation of an income statement that included items of income and expense recognised in profit or loss. It required items of income and expense not recognised in profit or loss to be presented in the statement of changes in equity, together with owner changes in equity. It also labelled the statement of changes in equity comprising profit or loss, other items of income and expense and the effects of changes in accounting policies and correction of errors as 'statement of recognised income and expense'. SB-FRS 1 now requires:
- (a) all changes in equity arising from transactions with owners in their capacity as owners (ie owner changes in equity) to be presented separately from non-owner changes in equity. An entity is not permitted to present components of comprehensive income (ie non-owner changes in equity) in the statement of changes in equity. The purpose is to provide better information by aggregating items with shared characteristics and separating items with different characteristics.
 - (b) income and expenses to be presented in one statement (a statement of comprehensive income) or in two statements (a separate income statement and a statement of comprehensive income), separately from owner changes in equity.
 - (c) components of other comprehensive income to be displayed in the statement of comprehensive income.
 - (d) total comprehensive income to be presented in the financial statements.

Other comprehensive income—reclassification adjustments and related tax effects

- IN14 SB-FRS 1 requires an entity to disclose income tax relating to each component of other comprehensive income. The previous version of SB-FRS 1 did not include such a requirement. The purpose is to provide users with tax information relating to these components because the components often have tax rates different from those applied to profit or loss.

- IN15 SB-FRS 1 also requires an entity to disclose reclassification adjustments relating to components of other comprehensive income. Reclassification adjustments are amounts reclassified to profit or loss in the current period that were recognised in other comprehensive income in previous periods. The purpose is to provide users with information to assess the effect of such reclassifications on profit or loss.

Presentation of dividends

- IN16 The previous version of SB-FRS 1 permitted disclosure of the amount of dividends recognised as distributions to equity holders (now referred to as 'owners') and the related amount per share in the income statement, in the statement of changes in equity or in the notes. SB-FRS 1 requires dividends recognised as distributions to owners and related amounts per share to be presented in the statement of changes in equity or in the notes. The presentation of such disclosures in the statement of comprehensive income is not permitted. The purpose is to ensure that owner changes in equity (in this case, distributions to owners in the form of dividends) are presented separately from non-owner changes in equity (presented in the statement of comprehensive income).

Statutory Board Financial Reporting Standard 1

Presentation of Financial Statements

Objective

- 1 This Standard prescribes the basis for presentation of general purpose financial statements to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. It sets out overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

Scope

- 2 **An entity shall apply this Standard in preparing and presenting general purpose financial statements in accordance with Statutory Board Financial Reporting Standards (SB-FRSs).**
- 3 Other SB-FRSs set out the recognition, measurement and disclosure requirements for specific transactions and other events.
- 4 This Standard does not apply to the structure and content of condensed interim financial statements prepared in accordance with SB-FRS 34 *Interim Financial Reporting*. However, paragraphs 15–35 apply to such financial statements. This Standard applies equally to all entities, including those that present consolidated financial statements and those that present separate financial statements as defined in SB-FRS 27 *Consolidated and Separate Financial Statements*.
- 5 This 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 Standard, they may need to amend the descriptions used for particular line items in the financial statements and for the financial statements themselves.
- 6 Similarly, entities that do not have equity as defined in SB-FRS 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.

Definitions

- 7 **The following terms are used in this Standard with the meanings specified:**

General purpose financial statements (referred to as 'financial statements') are those intended to meet the needs of users who are not in a position to require an entity to prepare reports tailored to their particular information needs.

Impracticable Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so.

Statutory Board Financial Reporting Standards (SB-FRSs) are Standards and Interpretations adopted by the Accountant-General. They comprise:

- (a) Statutory Board Financial Reporting Standards; and
- (b) Interpretations developed by the Accountant-General.

Material Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the

financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence economic decisions of users, and so be material, requires consideration of the characteristics of those users. The *Framework for the Preparation and Presentation of Financial Statements* states in paragraph 25 that 'users are assumed to have a reasonable knowledge of business and economic activities and accounting and a willingness to study the information with reasonable diligence.' Therefore, the assessment needs to take into account how users with such attributes could reasonably be expected to be influenced in making economic decisions.

Notes contain information in addition to that presented in the statement of financial position, statement of comprehensive income, separate income statement (if presented), statement of changes in equity and statement of cash flows. Notes provide narrative descriptions or disaggregations of items presented in those statements and information about items that do not qualify for recognition in those statements.

Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other SB-FRSs.

The components of other comprehensive income include:

- (a) changes in revaluation surplus (see SB-FRS 16 *Property, Plant and Equipment* and SB-FRS 38 *Intangible Assets*);
- (b) actuarial gains and losses on defined benefit plans recognised in accordance with paragraph 93A of SB-FRS 19 *Employee Benefits*;
- (c) gains and losses arising from translating the financial statements of a foreign operation (see SB-FRS 21 *The Effects of Changes in Foreign Exchange Rates*);
- (d) gains and losses on remeasuring available-for-sale financial assets (see SB-FRS 39 *Financial Instruments: Recognition and Measurement*);
- (e) the effective portion of gains and losses on hedging instruments in a cash flow hedge (see SB-FRS 39).

Owners are holders of instruments classified as equity.

Profit or loss is the total of income less expenses, excluding the components of other comprehensive income.

Reclassification adjustments are amounts reclassified to profit or loss in the current period that were recognised in other comprehensive income in the current or previous periods.

Total comprehensive income is the change in equity during a period resulting from transactions and other events, other than those changes resulting from transactions with owners in their capacity as owners.

Total comprehensive income comprises all components of 'profit or loss' and of 'other comprehensive income'.

- 8 Although this Standard uses the terms 'other comprehensive income', 'profit or loss' and 'total comprehensive income', an entity may use other terms to describe the totals as long as the meaning is clear. For example, an entity may use the term 'net income' to describe profit or loss.

Financial statements

Purpose of financial statements

9 Financial statements are a structured representation of the financial position and financial performance of an entity. The objective of financial statements is to provide information about the financial position, financial performance and cash flows of an entity that is useful to a wide range of users in making economic decisions. Financial statements also show the results of the management's stewardship of the resources entrusted to it. To meet this objective, financial statements provide information about an entity's:

- (a) assets;
- (b) liabilities;
- (c) equity;
- (d) income and expenses, including gains and losses;
- (e) contributions by and distributions to owners in their capacity as owners; and
- (f) cash flows.

This information, along with other information in the notes, assists users of financial statements in predicting the entity's future cash flows and, in particular, their timing and certainty.

Complete set of financial statements

10 **A complete set of financial statements comprises:**

- (a) **a statement of financial position as at the end of the period;**
- (b) **a statement of comprehensive income for the period;**
- (c) **a statement of changes in equity for the period;**
- (d) **a statement of cash flows for the period;**
- (e) **notes, comprising a summary of significant accounting policies and other explanatory information; and**
- (f) **a statement of financial position as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.**

An entity may use titles for the statements other than those used in this Standard.

11 **An entity shall present with equal prominence all of the financial statements in a complete set of financial statements.**

12 As permitted by paragraph 81, an entity may present the components of profit or loss either as part of a single statement of comprehensive income or in a separate income statement. When an income statement is presented it is part of a complete set of financial statements and shall be displayed immediately before the statement of comprehensive income.

- 13 Many entities present, outside the financial statements, a financial review by management that describes and explains the main features of the entity's financial performance and financial position, and the principal uncertainties it faces. Such a report may include a review of:
- (a) the main factors and influences determining financial performance, including changes in the environment in which the entity operates, the entity's response to those changes and their effect, and the entity's policy for investment to maintain and enhance financial performance, including its dividend policy;
 - (b) the entity's sources of funding and its targeted ratio of liabilities to equity; and
 - (c) the entity's resources not recognised in the statement of financial position in accordance with SB-FRSs.
- 14 Many entities also present, outside the financial statements, reports and statements such as environmental reports and value added statements, particularly in industries in which environmental factors are significant and when employees are regarded as an important user group. Reports and statements presented outside financial statements are outside the scope of SB-FRSs.

General features

Fair presentation and compliance with SB-FRSs

- 15 **Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the *Framework*. The application of SB-FRSs, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.**
- 16 **An entity whose financial statements comply with SB-FRSs shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with SB-FRSs unless they comply with all the requirements of SB-FRSs.**
- 17 In virtually all circumstances, an entity achieves a fair presentation by compliance with applicable SB-FRSs. A fair presentation also requires an entity:
- (a) to select and apply accounting policies in accordance with SB-FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. SB-FRS 8 sets out a hierarchy of authoritative guidance that management considers in the absence of an SB-FRS that specifically applies to an item.
 - (b) to present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
 - (c) to provide additional disclosures when compliance with the specific requirements in SB-FRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.
- 18 **An entity cannot rectify inappropriate accounting policies either by disclosure of the accounting policies used or by notes or explanatory material.**
- 19 **In the extremely rare circumstances in which management concludes that compliance with a requirement in an SB-FRS would be so misleading that it would conflict with the**

objective of financial statements set out in the *Framework*, the entity shall depart from that requirement in the manner set out in paragraph 20 if the relevant regulatory framework requires, or otherwise does not prohibit, such a departure.

- 20 When an entity departs from a requirement of an SB-FRS in accordance with paragraph 19, it shall disclose:**
- (a) that management has concluded that the financial statements present fairly the entity's financial position, financial performance and cash flows;**
 - (b) that it has complied with applicable SB-FRSs, except that it has departed from a particular requirement to achieve a fair presentation;**
 - (c) the title of the SB-FRS from which the entity has departed, the nature of the departure, including the treatment that the SB-FRS would require, the reason why that treatment would be so misleading in the circumstances that it would conflict with the objective of financial statements set out in the *Framework*, and the treatment adopted; and**
 - (d) for each period presented, the financial effect of the departure on each item in the financial statements that would have been reported in complying with the requirement.**
- 21 When an entity has departed from a requirement of an SB-FRS in a prior period, and that departure affects the amounts recognised in the financial statements for the current period, it shall make the disclosures set out in paragraph 20(c) and (d).**
- 22 Paragraph 21 applies, for example, when an entity departed in a prior period from a requirement in an SB-FRS for the measurement of assets or liabilities and that departure affects the measurement of changes in assets and liabilities recognised in the current period's financial statements.
- 23 In the extremely rare circumstances in which management concludes that compliance with a requirement in an SB-FRS would be so misleading that it would conflict with the objective of financial statements set out in the *Framework*, but the relevant regulatory framework prohibits departure from the requirement, the entity shall, to the maximum extent possible, reduce the perceived misleading aspects of compliance by disclosing:**
- (a) the title of the SB-FRS in question, the nature of the requirement, and the reason why management has concluded that complying with that requirement is so misleading in the circumstances that it conflicts with the objective of financial statements set out in the *Framework*; and**
 - (b) for each period presented, the adjustments to each item in the financial statements that management has concluded would be necessary to achieve a fair presentation.**
- 24 For the purpose of paragraphs 19–23, an item of information would conflict with the objective of financial statements when it does not represent faithfully the transactions, other events and conditions that it either purports to represent or could reasonably be expected to represent and, consequently, it would be likely to influence economic decisions made by users of financial statements. When assessing whether complying with a specific requirement in an SB-FRS would be so misleading that it would conflict with the objective of financial statements set out in the *Framework*, management considers:
- (a) why the objective of financial statements is not achieved in the particular circumstances; and
 - (b) how the entity's circumstances differ from those of other entities that comply with the

requirement. If other entities in similar circumstances comply with the requirement, there is a rebuttable presumption that the entity's compliance with the requirement would not be so misleading that it would conflict with the objective of financial statements set out in the *Framework*.

Going concern

- 25 **When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. An entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.**
- 26 In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The degree of consideration depends on the facts in each case. When an entity has a history of profitable operations and ready access to financial resources, the entity may reach a conclusion that the going concern basis of accounting is appropriate without detailed analysis. In other cases, management may need to consider a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing before it can satisfy itself that the going concern basis is appropriate.

Accrual basis of accounting

- 27 **An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting.**
- 28 When the accrual basis of accounting is used, an entity recognises items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the *Framework*.

Materiality and aggregation

- 29 **An entity shall present separately each material class of similar items. An entity shall present separately items of a dissimilar nature or function unless they are immaterial.**
- 30 Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function. The final stage in the process of aggregation and classification is the presentation of condensed and classified data, which form line items in the financial statements. If a line item is not individually material, it is aggregated with other items either in those statements or in the notes. An item that is not sufficiently material to warrant separate presentation in those statements may warrant separate presentation in the notes.
- 31 An entity need not provide a specific disclosure required by an SB-FRS if the information is not material.

Offsetting

- 32 **An entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an SB-FRS.**

- 33 An entity reports separately both assets and liabilities, and income and expenses. Offsetting in the statements of comprehensive income or financial position or in the separate income statement (if presented), except when offsetting reflects the substance of the transaction or other event, detracts from the ability of users both to understand the transactions, 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.
- 34 SB-FRS 18 *Revenue* defines revenue and requires an entity to measure it at the fair value of the consideration received or receivable, taking into account the amount of 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 the results of such transactions, when this presentation reflects the substance of the transaction or other event, by netting any income with related expenses arising on the same transaction. For example:
- (a) an entity presents gains and losses on the disposal of non-current assets, including investments and operating assets, by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses; and
 - (b) an entity may net expenditure related to a provision that is recognised in accordance with SB-FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and reimbursed under a contractual arrangement with a third party (for example, a supplier's warranty agreement) against the related reimbursement.
- 35 In addition, an entity presents on a net basis gains and losses arising from a group of similar transactions, for example, foreign exchange gains and losses or gains and losses arising on financial instruments held for trading. However, an entity presents such gains and losses separately if they are material.

Frequency of reporting

- 36 **An entity shall present a complete set of financial statements (including comparative information) at least annually. When an entity changes the end of its reporting period and presents 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 in the financial statements are not entirely comparable.**
- 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 Standard does not preclude this practice.

Comparative information

- 38 **Except when SB-FRSs permit or require otherwise, an entity shall disclose comparative information in respect of the previous period for all amounts reported in the current period's financial statements. An entity shall include comparative information for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.**
- 39 An entity disclosing comparative information shall present, as a minimum, two statements of financial position, two of each of the other statements, and related notes. When an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements, it shall present, as a minimum, three statements of financial position, two of each of the other statements, and

related notes. An entity presents statements of financial position as at:

- (a) the end of the current period,
- (b) the end of the previous period (which is the same as the beginning of the current period), and
- (c) the beginning of the earliest comparative period.

40 In some cases, narrative information provided in the financial statements for the previous period(s) continues to be relevant in the current period. For example, an entity discloses in the current period details of a legal dispute whose outcome was uncertain at the end of the immediately preceding reporting period and that is yet to be resolved. Users benefit from information that the uncertainty existed at the end of the immediately preceding reporting period, and about the steps that have been taken during the period to resolve the uncertainty.

41 When the entity changes the presentation or classification of items in its financial statements, the entity shall reclassify comparative amounts unless reclassification is impracticable. When the entity reclassifies comparative amounts, the entity shall disclose:

- (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.**

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.**

43 Enhancing the inter-period comparability of information assists users 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 period to achieve comparability 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.

44 SB-FRS 8 sets out the adjustments to comparative information required when an entity changes an accounting policy or corrects an error.

Consistency of presentation

45 An entity shall retain the presentation and classification of items in the financial statements from one period to the next unless:

- (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 or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in SB-FRS 8; or**
- (b) an SB-FRS requires a change in presentation.**

46 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. An entity changes the presentation of its financial statements only if the changed

presentation provides information that is reliable and more relevant to users of the financial statements and the revised structure 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.

Structure and content

Introduction

- 47 This Standard requires particular disclosures in the statement of financial position or of comprehensive income, in the separate income statement (if presented), or in the statement of changes in equity and requires disclosure of other line items either in those statements or in the notes. SB-FRS 7 *Statement of Cash Flows* sets out requirements for the presentation of cash flow information.
- 48 This Standard sometimes uses the term 'disclosure' in a broad sense, encompassing items presented in the financial statements. Disclosures are also required by other SB-FRSs. Unless specified to the contrary elsewhere in this Standard or in another SB-FRS, such disclosures may be made in the financial statements.

Identification of the financial statements

- 49 **An entity shall clearly identify the financial statements and distinguish them from other information in the same published document.**
- 50 SB-FRSs apply only to financial statements, and not necessarily to other information presented in an annual report, a regulatory filing, or another document. Therefore, it is important that users can distinguish information that is prepared using SB-FRSs from other information that may be useful to users but is not the subject of those requirements.
- 51 **An entity shall clearly identify each financial statement and the notes. In addition, an entity shall display the following information prominently, and repeat it when necessary for the information presented 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 SB-FRS 21; and**
 - (e) **the level of rounding used in presenting amounts in the financial statements.**
- 52 An entity meets the requirements in paragraph 51 by presenting appropriate headings for pages, statements, notes, columns and the like. Judgement is required in determining the best way of presenting such information. For example, when an entity presents the financial statements electronically, separate pages are not always used; an entity then presents the above items to ensure that the information included in the financial statements can be understood.
- 53 An entity often makes financial statements more understandable by presenting 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.

Statement of financial position

Information to be presented in the statement of financial position

- 54 As a minimum, the statement of financial position shall include line items that present the following amounts:
- (a) property, plant and equipment;
 - (b) investment property;
 - (c) intangible assets;
 - (d) financial assets (excluding amounts shown under (e), (h) and (i));
 - (e) investments accounted for using the equity method;
 - (f) biological assets;
 - (g) inventories;
 - (h) trade and other receivables;
 - (i) cash and cash equivalents;
 - (j) the total of assets classified as held for sale and assets included in disposal groups classified as held for sale in accordance with SB-FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*;
 - (k) trade and other payables;
 - (l) provisions;
 - (m) financial liabilities (excluding amounts shown under (k) and (l));
 - (n) liabilities and assets for current tax, as defined in SB-FRS 12 *Income Taxes*;
 - (o) deferred tax liabilities and deferred tax assets, as defined in SB-FRS 12;
 - (p) liabilities included in disposal groups classified as held for sale in accordance with SB-FRS 105;
 - (q) minority interest, presented within equity; and
 - (r) issued capital and reserves attributable to owners of the parent.
- 55 An entity shall present additional line items, headings and subtotals in the statement of financial position when such presentation is relevant to an understanding of the entity's financial position.
- 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).
- 57 This Standard does not prescribe the order or format in which an entity presents items. Paragraph 54 simply lists items that are sufficiently different in nature or function to warrant separate presentation in the statement of financial position. In addition:

- (a) 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 to provide information that is relevant to the operations of a financial institution.
- 58 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.
- 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 SB-FRS 16.

Current/non-current distinction

- 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 except when a presentation based on liquidity provides information that is reliable and more relevant. When that exception applies, an entity shall present all assets and liabilities in order of liquidity.**
- 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.**
- 62 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 period.
- 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 and more relevant than a current/non-current presentation because the entity does not supply goods or services within a clearly identifiable operating cycle.
- 64 In applying paragraph 60, 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 and more relevant. The need for a mixed basis of presentation might arise when an entity has diverse operations.
- 65 Information about expected dates of realisation of assets and liabilities is useful in assessing the liquidity and solvency of an entity. SB-FRS 107 *Financial Instruments: Disclosures*

requires disclosure of the maturity dates 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 the amount of inventories that are expected to be recovered more than twelve months after the reporting period.

Current assets

66 An entity shall classify an asset as current when:

- (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 SB-FRS 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.

67 This 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.

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 (financial assets within this category are classified as held for trading in accordance with SB-FRS 39) and the current portion of non-current financial assets.

Current liabilities

69 An entity shall classify a liability as current when:

- (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) the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.**

An entity shall classify all other liabilities as non-current.

70 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.

- 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 financial liabilities classified as held for trading in accordance with SB-FRS 39, 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.
- 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, 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.
- 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.
- 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.
- 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.
- 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 SB-FRS 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.

Information to be presented either in the statement of financial position or in the notes

- 77 **An entity shall disclose, either in the statement of financial position or in the notes, further subclassifications of the line items presented, classified in a manner appropriate to the entity's operations.**

- 78 The detail provided in subclassifications depends on the requirements of SB-FRSs and on the size, nature and function of the amounts involved. An entity also uses the factors set out in paragraph 58 to decide the basis of subclassification. The disclosures vary for each item, for example:
- (a) items of property, plant and equipment are disaggregated into classes in accordance with SB-FRS 16;
 - (b) receivables are disaggregated into amounts receivable from trade customers, receivables from related parties, prepayments and other amounts;
 - (c) inventories are disaggregated, in accordance with SB-FRS 2 *Inventories*, into classifications such as merchandise, production supplies, materials, work in progress and finished goods;
 - (d) provisions are disaggregated into provisions for employee benefits and other items; and
 - (e) equity capital and reserves are disaggregated into various classes, such as paid-in capital, share premium and reserves.

79 An entity shall disclose the following, either in the statement of financial position or the statement of changes in equity, or in the notes:

- (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 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.**

80 An entity without share capital, such as a partnership or trust, shall disclose information equivalent to that required by paragraph 79(a), showing changes during the period in each category of equity interest, and the rights, preferences and restrictions attaching to each category of equity interest.

Statement of comprehensive income

81 An entity shall present all items of income and expense recognised in a period:

- (a) in a single statement of comprehensive income, or**

- (b) in two statements: a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income (statement of comprehensive income).

Information to be presented in the statement of comprehensive income

82 As a minimum, the statement of comprehensive income shall include line items that present the following amounts for the period:

- (a) revenue;
- (b) finance costs;
- (c) share of the profit or loss of associates and joint ventures accounted for using the equity method;
- (d) tax expense;
- (e) a single amount comprising the total of:
 - (i) the post-tax profit or loss of discontinued operations and
 - (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation;
- (f) profit or loss;
- (g) each component of other comprehensive income classified by nature (excluding amounts in (h));
- (h) share of the other comprehensive income of associates and joint ventures accounted for using the equity method; and
- (i) total comprehensive income.

83 An entity shall disclose the following items in the statement of comprehensive income as allocations of profit or loss for the period:

- (a) profit or loss for the period attributable to:
 - (i) minority interest, and
 - (ii) owners of the parent.
- (b) total comprehensive income for the period attributable to:
 - (i) minority interest, and
 - (ii) owners of the parent.

84 An entity may present in a separate income statement (see paragraph 81) the line items in paragraph 82(a)–(f) and the disclosures in paragraph 83(a).

85 An entity shall present additional line items, headings and subtotals in the statement of comprehensive income and the separate income statement (if presented), when such presentation is relevant to an understanding of the entity's financial performance.

86 Because the effects of an entity's various activities, transactions and other events differ in frequency, potential for gain or loss and predictability, disclosing the components of financial performance assists users in understanding the financial performance achieved and in making projections of future financial performance. An entity includes additional line items in the statement of comprehensive income and in the separate income statement (if presented), and it amends the descriptions used and the ordering of items when this is necessary to explain the elements of financial performance. An entity considers factors including materiality and the nature and function of the items of income and expense. For example, a financial institution may amend the descriptions to provide information that is relevant to the operations of a financial institution. An entity does not offset income and expense items unless the criteria in paragraph 32 are met.

87 **An entity shall not present any items of income or expense as extraordinary items, in the statement of comprehensive income or the separate income statement (if presented), or in the notes.**

Profit or loss for the period

88 **An entity shall recognise all items of income and expense in a period in profit or loss unless an SB-FRS requires or permits otherwise.**

89 Some SB-FRSs specify circumstances when an entity recognises particular items outside profit or loss in the current period. SB-FRS 8 specifies two such circumstances: the correction of errors and the effect of changes in accounting policies. Other SB-FRSs require or permit components of other comprehensive income that meet the *Framework's* definition of income or expense to be excluded from profit or loss (see paragraph 7).

Other comprehensive income for the period

90 **An entity shall disclose the amount of income tax relating to each component of other comprehensive income, including reclassification adjustments, either in the statement of comprehensive income or in the notes.**

91 An entity may present components of other comprehensive income either:

- (a) net of related tax effects, or
- (b) before related tax effects with one amount shown for the aggregate amount of income tax relating to those components.

92 **An entity shall disclose reclassification adjustments relating to components of other comprehensive income.**

93 Other SB-FRSs specify whether and when amounts previously recognised in other comprehensive income are reclassified to profit or loss. Such reclassifications are referred to in this 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. For example, gains realised on the disposal of available-for-sale financial assets are included in profit or loss of the current period. These amounts may have been recognised 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.

94 An entity may present reclassification adjustments in the statement of comprehensive income or in the notes. An entity presenting reclassification adjustments in the notes presents the components of other comprehensive income after any related reclassification adjustments.

- 95 Reclassification adjustments arise, for example, on disposal of a foreign operation (see SB-FRS 21), on derecognition of available-for-sale financial assets (see SB-FRS 39) and when a hedged forecast transaction affects profit or loss (see paragraph 100 of SB-FRS 39 in relation to cash flow hedges).
- 96 Reclassification adjustments do not arise on changes in revaluation surplus recognised in accordance with SB-FRS 16 or SB-FRS 38 or on actuarial gains and losses on defined benefit plans recognised in accordance with paragraph 93A of SB-FRS 19. These components are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent 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 SB-FRS 16 and SB-FRS 38). Actuarial gains and losses are reported in retained earnings in the period that they are recognised as other comprehensive income (see SB-FRS 19).

Information to be presented in the statement of comprehensive income or in the notes

- 97 **When items of income or expense are material, an entity shall disclose their nature and amount separately.**
- 98 Circumstances that would give rise to the separate disclosure 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) litigation settlements; and
 - (g) other reversals of provisions.
- 99 **An entity shall present an analysis of expenses recognised in profit or loss using a classification based on either their nature or their function within the entity, whichever provides information that is reliable and more relevant.**
- 100 Entities are encouraged to present the analysis in paragraph 99 in the statement of comprehensive income or in the separate income statement (if presented).
- 101 Expenses are subclassified to highlight components of financial performance that may differ in terms of frequency, potential for gain or loss and predictability. This analysis is provided in one of two forms.
- 102 The first form of analysis is the 'nature of expense' method. An entity aggregates expenses within profit or loss according to their nature (for example, depreciation, purchases of materials, transport costs, employee benefits and advertising costs), and does not reallocate them among functions within the entity. This method may be simple to apply because no allocations of expenses to functional classifications are necessary. An example of a classification using the nature of expense method is as follows:

Revenue	X
Other income	X

Changes in inventories of finished goods and work in progress	X	
Raw materials and consumables used	X	
Employee benefits expense	X	
Depreciation and amortisation expense	X	
Other expenses	X	
Total expenses		(X)
Profit before tax		X

- 103 The second form of analysis is the 'function of expense' or 'cost of sales' method and classifies expenses according to their function as part of cost of sales or, for example, the costs of distribution or administrative activities. At a minimum, an entity discloses its cost of sales under this method separately from other expenses. This method can provide more relevant information to users than the classification of expenses by nature, but allocating costs to functions may require arbitrary allocations and involve considerable judgement. An example of a classification using the function of expense method is as follows:

Revenue	X
Cost of sales	(X)
Gross profit	X
Other income	X
Distribution costs	(X)
Administrative expenses	(X)
Other expenses	(X)
Profit before tax	X

- 104 **An entity classifying expenses by function shall disclose additional information on the nature of expenses, including depreciation and amortisation expense and employee benefits expense.**
- 105 The choice between the function of expense method and the nature of expense method depends on historical and industry factors and the nature of the entity. Both methods provide an indication of those costs that might vary, directly or indirectly, with the level of sales or production of the entity. Because each method of presentation has merit for different types of entities, this Standard requires management to select the presentation that is reliable and more relevant. However, because information on the nature of expenses is useful in predicting future cash flows, additional disclosure is required when the function of expense classification is used. In paragraph 104, 'employee benefits' has the same meaning as in SB-FRS 19.

Statement of changes in equity

- 106 **An entity shall present a statement of changes in equity showing in the statement:**
- total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to minority interest;**
 - for each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with SB-FRS 8;**
 - the amounts of transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners; and**
 - for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing each change.**
- 107 **An entity shall present, either in the statement of changes in equity or in the notes, the amount of dividends recognised as distributions to owners during the period, and the**

related amount per share.

- 108 In paragraph 106, 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.
- 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 with owners in their capacity as owners (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.
- 110 SB-FRS 8 requires retrospective adjustments to effect changes in accounting policies, to the extent practicable, except when the transition provisions in another SB-FRS require otherwise. SB-FRS 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 SB-FRS requires retrospective adjustment of another component of equity. Paragraph 106(b) requires disclosure 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 for each prior period and the beginning of the period.

Statement of cash flows

- 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. SB-FRS 7 sets out requirements for the presentation and disclosure of cash flow information.

Notes**Structure**

- 112 **The notes shall:**
- (a) **present information about the basis of preparation of the financial statements and the specific accounting policies used in accordance with paragraphs 117–124;**
 - (b) **disclose the information required by SB-FRSs that is not presented elsewhere in the financial statements; and**
 - (c) **provide information that is not presented elsewhere in the financial statements, but is relevant to an understanding of any of them.**
- 113 **An entity shall, as far as practicable, present notes in a systematic manner. An entity shall cross-reference each item in the statements of financial position and of comprehensive income, in the separate income statement (if presented), and in the statements of changes in equity and of cash flows to any related information in the notes.**
- 114 An entity normally presents notes in the following order, to assist users to understand the financial statements and to compare them with financial statements of other entities:
- (a) statement of compliance with SB-FRSs (see paragraph 16);

- (b) summary of significant accounting policies applied (see paragraph 117);
- (c) supporting information for items presented in the statements of financial position and of comprehensive income, in the separate income statement (if presented), and in the statements of changes in equity and of cash flows, in the order in which each statement and each line item is presented; and
- (d) other disclosures, including:
 - (i) contingent liabilities (see SB-FRS 37) and unrecognised contractual commitments, and
 - (ii) non-financial disclosures, eg the entity's financial risk management objectives and policies (see SB-FRS 107).

115 In some circumstances, it may be necessary or desirable to vary the order of specific items within the notes. For example, an entity may combine information on changes in fair value recognised in profit or loss with information on maturities of financial instruments, although the former disclosures relate to the statement of comprehensive income or separate income statement (if presented) and the latter relate to the statement of financial position. Nevertheless, an entity retains a systematic structure for the notes as far as practicable.

116 An entity may present notes providing information about the basis of preparation of the financial statements and specific accounting policies as a separate section of the financial statements.

Disclosure of accounting policies

117 An entity shall disclose in the summary of significant accounting policies:

- (a) the measurement basis (or bases) used in preparing the financial statements, and**
- (b) the other accounting policies used that are relevant to an understanding of the financial statements.**

118 It is important for an entity to inform users of the measurement basis or bases used in the financial statements (for example, historical cost, current cost, net realisable value, fair value or recoverable amount) because the basis on which an entity prepares the financial statements significantly affects users' analysis. When an entity uses more than one measurement basis in the financial statements, for example when particular classes of assets are revalued, it is sufficient to provide an indication of the categories of assets and liabilities to which each measurement basis is applied.

119 In deciding whether a particular accounting policy should be disclosed, management considers whether disclosure would assist users in understanding how transactions, other events and conditions are reflected in reported financial performance and financial position. Disclosure of particular accounting policies is especially useful to users when those policies are selected from alternatives allowed in SB-FRSs. An example is disclosure of whether a venturer recognises its interest in a jointly controlled entity using proportionate consolidation or the equity method (see SB-FRS 31 *Interests in Joint Ventures*). Some SB-FRSs specifically require disclosure of particular accounting policies, including choices made by management between different policies they allow. For example, SB-FRS 16 requires disclosure of the measurement bases used for classes of property, plant and equipment.

120 Each entity considers the nature of its operations and the policies that the users of its financial statements would expect to be disclosed for that type of entity. For example, users would expect an entity subject to income taxes to disclose its accounting policies for income taxes, including those applicable to deferred tax liabilities and assets. When an entity has significant

foreign operations or transactions in foreign currencies, users would expect disclosure of accounting policies for the recognition of foreign exchange gains and losses.

- 121 An accounting policy may be significant because of the nature of the entity's operations even if amounts for current and prior periods are not material. It is also appropriate to disclose each significant accounting policy that is not specifically required by SB-FRSs but the entity selects and applies in accordance with SB-FRS 8.
- 122 **An entity shall disclose, in the summary of significant accounting policies or other notes, the judgements, apart from those involving estimations (see paragraph 125), that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.**
- 123 In the process of applying the entity's accounting policies, management makes various judgements, apart from those involving estimations, that can significantly affect the amounts it recognises in the financial statements. For example, management makes judgements in determining:
- (a) whether financial assets are held-to-maturity investments;
 - (b) when substantially all the significant risks and rewards of ownership of financial assets and lease assets are transferred to other entities;
 - (c) whether, in substance, particular sales of goods are financing arrangements and therefore do not give rise to revenue; and
 - (d) whether the substance of the relationship between the entity and a special purpose entity indicates that the entity controls the special purpose entity.
- 124 Some of the disclosures made in accordance with paragraph 122 are required by other SB-FRSs. For example, SB-FRS 27 requires an entity to disclose the reasons why the entity's ownership interest does not constitute control, in respect of an investee that is not a subsidiary even though more than half of its voting or potential voting power is owned directly or indirectly through subsidiaries. SB-FRS 40 *Investment Property* requires disclosure of the criteria developed by the entity to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business, when classification of the property is difficult.

Sources of estimation uncertainty

- 125 **An entity shall disclose information about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities, the notes shall include details of:**
- (a) **their nature, and**
 - (b) **their carrying amount as at the end of the reporting period.**
- 126 Determining the carrying amounts of some assets and liabilities requires estimation of the effects of uncertain future events on those assets and liabilities at the end of the reporting period. For example, in the absence of recently observed market prices, future-oriented estimates are necessary to measure the recoverable amount of classes of property, plant and equipment, the effect of technological obsolescence on inventories, provisions subject to the future outcome of litigation in progress, and long-term employee benefit liabilities such as pension obligations. These estimates involve assumptions about such items as the risk adjustment to cash flows or discount rates, future changes in salaries and future changes in

prices affecting other costs.

- 127 The assumptions and other sources of estimation uncertainty disclosed in accordance with paragraph 125 relate to the estimates that require management's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex, and the potential for a consequential material adjustment to the carrying amounts of assets and liabilities normally increases accordingly.
- 128 The disclosures in paragraph 125 are not required for assets and liabilities with a significant risk that their carrying amounts might change materially within the next financial year if, at the end of the reporting period, they are measured at fair value based on recently observed market prices. Such fair values might change materially within the next financial year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting period.
- 129 An entity presents the disclosures in paragraph 125 in a manner that helps users of financial statements to understand the judgements that management makes about the future and about other sources of estimation uncertainty. The nature and extent of the information provided vary according to the nature of the assumption and other circumstances. Examples of the types of disclosures an entity makes are:
- (a) the nature of the assumption or other estimation uncertainty;
 - (b) the sensitivity of carrying amounts to the methods, assumptions and estimates underlying their calculation, including the reasons for the sensitivity;
 - (c) the expected resolution of an uncertainty and the range of reasonably possible outcomes within the next financial year in respect of the carrying amounts of the assets and liabilities affected; and
 - (d) an explanation of changes made to past assumptions concerning those assets and liabilities, if the uncertainty remains unresolved.
- 130 This Standard does not require an entity to disclose budget information or forecasts in making the disclosures in paragraph 125.
- 131 Sometimes it is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. In such cases, the entity discloses that it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumption could require a material adjustment to the carrying amount of the asset or liability affected. In all cases, the entity discloses the nature and carrying amount of the specific asset or liability (or class of assets or liabilities) affected by the assumption.
- 132 The disclosures in paragraph 122 of particular judgements that management made in the process of applying the entity's accounting policies do not relate to the disclosures of sources of estimation uncertainty in paragraph 125.
- 133 Other SB-FRSs require the disclosure of some of the assumptions that would otherwise be required in accordance with paragraph 125. For example, SB-FRS 37 requires disclosure, in specified circumstances, of major assumptions concerning future events affecting classes of provisions. SB-FRS 107 requires disclosure of significant assumptions the entity uses in estimating the fair values of financial assets and financial liabilities that are carried at fair value. SB-FRS 16 requires disclosure of significant assumptions that the entity uses in estimating the fair values of revalued items of property, plant and equipment.

Capital

- 134 **An entity shall disclose information that enables users of its financial statements to**

evaluate the entity's objectives, policies and processes for managing capital.

- 135 To comply with paragraph 134, the entity discloses 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 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 disclosures on the information provided internally to key management personnel.

- 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's understanding of an entity's capital resources, the entity shall disclose separate information for each capital requirement to which the entity is subject.

Other disclosures

- 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 during the period, and the related amount per share; and**
 - (b) **the amount of any cumulative preference dividends not recognised.**
- 138 **An entity shall disclose 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 activities; and**

- (c) the name of the parent and the ultimate parent of the group.

Transition and effective date

- 139 An entity shall apply this Standard for annual periods beginning on or after 1 January 2009. Earlier application is permitted. If an entity adopts this Standard for an earlier period, it shall disclose that fact.

Withdrawal of SB-FRS 1 (revised 2006)

- 140 This Standard supersedes SB-FRS 1 *Presentation of Financial Statements* revised in 2006, as amended in 2007.

Appendix

Amendments to other pronouncements

The amendments in this appendix shall be applied for annual periods beginning on or after 1 January 2009. If an entity applies this Standard for an earlier period, these amendments shall be applied for that earlier period. In the amended paragraphs, new text is underlined and deleted text is struck through.

- A1 In the *Preface to the Statutory Board Financial Reporting Standards* the rubric above paragraph 1 and paragraphs 11 and 16 are amended as follows:

'This Preface ... The Preface was amended in March 2008.'

- 11 A complete set of financial statements includes a balance sheet statement of financial position, ~~an income statement~~ a statement of comprehensive income, a statement ~~showing either all of changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners~~, a statement of cash flows statement, and accounting policies and explanatory notes. When a separate income statement is presented in accordance with SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008), it is part of that complete set. In the interest ...

- 16 SB-FRS 1 (as revised in 2008) ~~*Presentation of Financial Statements*~~ includes the following requirement:

An entity whose financial statements comply with SB-FRSs shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe ~~Financial statements shall not be described~~ as complying with SB-FRSs unless they comply with all the requirements of SB-FRSs.

- A2 In the *Framework for the Preparation and Presentation of Financial Statements* a rubric preceding the '**Preface**' section is added as follows:

*The Framework has not been amended to reflect the changes made by SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008).*

- A3 In *Statutory Board Financial Reporting Standards* (including *Statutory Board Financial Reporting Standards and Interpretations*), and the introductions to SB-FRSs, the following references are amended as described below, unless otherwise stated in this appendix.

- o 'on the face of' is amended to 'in'.
- o 'income statement' is amended to 'statement of comprehensive income'.
- o 'balance sheet' is amended to 'statement of financial position'.
- o 'cash flow statement' is amended to 'statement of cash flows'.
- o 'balance sheet date' is amended to 'end of the reporting period'.
- o 'subsequent balance sheet date' is amended to 'end of the subsequent reporting period'.
- o 'each balance sheet date' is amended to 'the end of each reporting period'.
- o 'after the balance sheet date' is amended to 'after the reporting period'.
- o 'reporting date' is amended to 'end of the reporting period'.

- o 'each reporting date' is amended to 'the end of each reporting period'.
- o 'last annual reporting date' is amended to 'end of the last annual reporting period'.
- o 'equity holders' is amended to 'owners'. '(except in SB-FRS 33 *Earnings per Share*)'
- o 'removed from equity and recognised in profit or loss' and 'removed from equity and included in profit or loss' are amended to 'reclassified from equity to profit or loss as a reclassification adjustment'.
- o 'Standard or Interpretation' is amended to 'SB-FRS'.
 - o 'a Standard or an Interpretation' is amended to 'an SB-FRS'.
 - o 'Standards and Interpretations' is amended to 'SB-FRSs'. '(except in paragraph 5 of SB-FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*)'
- o References to the current version of SB-FRS 7 *Cash Flow Statements* are amended to SB-FRS 7 *Statement of Cash Flows*.
- o References to the current version of SB-FRS 10 *Events after the Balance Sheet Date* are amended to SB-FRS 10 *Events after the Reporting Period*.

SB-FRS 101 *First-time Adoption of Statutory Board Financial Reporting Standards*

A4 SB-FRS 101 is amended as described below.

In the rubric, the first sentence is amended as follows:

Statutory Board Financial Reporting Standard 101 *First-time Adoption of Statutory Board Financial Reporting Standards* (SB-FRS 101) is set out in paragraphs ~~1–47G~~ 1–47H and Appendices A–C. All the paragraphs ...

In paragraph IN3, 'at the reporting date for its first SB-FRS financial statements' is amended to 'at the end of its first SB-FRS reporting period'.

Paragraphs 6 and 7 are amended as follows:

- 6 An entity shall prepare and present an *opening SB-FRS ~~balance sheet~~ statement of financial position* at the *date of transition to SB-FRSs*. This is the starting point for its accounting under SB-FRSs. ~~An entity need not present its opening SB-FRS balance sheet in its first SB-FRS financial statements.~~
- 7 **An entity ... Those accounting policies shall comply with each SB-FRS effective at the reporting date for end of its first SB-FRS financial statements reporting period, except as specified in paragraphs 13–34B, ~~36A–36C~~ and 37.**

The Example after paragraph 8 is amended as described below.

References to the years '2003' to '2005' are amended to '20X3' to '20X5' respectively.

The paragraphs **Background** and **Application of requirements** are amended as follows:

Background

The ~~reporting date for end of~~ entity A's first SB-FRS financial statements ~~reporting period~~ is 31 December ~~20X5~~ 2005. Entity A decides to present comparative information in those financial statements for one year only (see paragraph 36) ...

Application of requirements

Entity A ... in:

- (a) preparing and presenting its opening SB-FRS ~~balance sheet~~ statement of financial position at 1 January ~~20X4~~ 2004; and ...

Paragraphs 10, 12(a) and 21 are amended as follows:

- 10 Except as described in paragraphs 13–34B ~~and 36A–36C~~, an entity shall, in its opening SB-FRS ~~balance sheet~~ statement of financial position: ...
- 12 This SB-FRS establishes two categories of exceptions to the principle that an entity's opening SB-FRS ~~balance sheet~~ statement of financial position shall comply with each SB-FRS:
 - (a) paragraphs 13–25I ~~and 36A–36C~~ grant exemptions from some requirements of other SB-FRSs.
- 21 SB-FRS 21 *The Effects of Changes in Foreign Exchange Rates* requires an entity:
 - (a) to ~~classify~~ recognise some translation differences in other comprehensive income and accumulate these as in a separate component of equity; and
 - (b) on disposal of a foreign operation, to ~~transfer~~ reclassify the cumulative translation difference for that foreign operation (including, if applicable, gains and losses on related hedges) from equity to the income statement profit or loss as part of the gain or loss on disposal.

In paragraph 32, references to the years '2003' and '2004' are amended to '20X4' and '20X5' respectively.

Paragraphs 32, 35 and 36 are amended as follows:

- 32 An entity ... Instead, the entity shall reflect that new information in ~~its income statement~~ profit or loss (or, if appropriate, other comprehensive income ~~other changes in equity~~) for the year ended 31 December ~~20X4~~ 2004.
- 35 Except as described in paragraphs ~~36A–37~~, this SB-FRS does not provide exemptions from the presentation and disclosure requirements in other SB-FRSs.
- 36 To comply with SB-FRS 1, an entity's first SB-FRS financial statements shall include at least ~~one year of comparative information under SB-FRSs~~. three statements of financial position, two statements of comprehensive income, two separate income statements (if presented), two statements of cash flows and two statements of changes in equity and related notes, including comparative information.

Paragraphs 36A–36C and the headings above them are deleted.

Paragraphs 39 and 45(a) are amended as follows:

- 39 To comply with paragraph 38, an entity's first SB-FRS financial statements shall include: ...
 - (a) (ii) the end ... under previous GAAP;

- (b) ~~a reconciliation to its total comprehensive income under SB-FRSs of the profit or loss reported under previous GAAP for the latest period in the entity's most recent annual financial statements to its profit or loss under SB-FRSs for the same period; The starting point for that reconciliation shall be total comprehensive income under previous GAAP for the same period or, if an entity did not report such a total, profit or loss under previous GAAP, and~~
- (c) ...
- 45 To comply with ...
- (a) Each such interim financial report shall, if the entity presented an interim financial report for the comparable interim period of the immediately preceding financial year, include ~~reconciliations of:~~
- (i) a reconciliation of its equity under previous GAAP at the end of that comparable interim period to its equity under SB-FRSs at that date; and
- (ii) a reconciliation to its profit or loss total comprehensive income under SB-FRSs previous GAAP for that comparable interim period (current and year-to-date). The starting point for that reconciliation shall be total comprehensive income under previous GAAP for that period or, if an entity did not report such a total, profit or loss under previous GAAP, to its profit or loss under SB-FRSs for that period.

Paragraph 47C is deleted.

Paragraph 47H is added as follows:

47H SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraphs 6, 7, 8 (Example), 10, 12(a), 21, 32, 35, 36, 39(b) and 45(a), Appendix A and paragraph B2(i) in Appendix B, and deleted paragraphs 36A–36C and 47C. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

In Appendix A, the defined terms are amended as follows:

first SB-FRS reporting period	The <u>latest</u> reporting period ending on the reporting date of <u>covered by</u> an entity's first SB-FRS financial statements .
Statutory Board Financial Reporting Standards (SB-FRSs)	Standards and Interpretations adopted by the Accountant-General. They comprise: <ul style="list-style-type: none"> (a) ... (b) ... (c) Interpretations originated <u>developed</u> by the Accountant-General.
opening SB-FRS balance sheet statement of financial position reporting date	An entity's balance sheet <u>statement of financial position</u> (published or unpublished) at the date of transition to SB-FRSs . <p style="margin-left: 40px;">The end of the latest period covered by financial statements or by an interim financial report.</p>

In Appendix B, paragraph B2(i) is amended as follows:

B2 If a first-time adopter ...

- (i) If the first-time adopter recognised goodwill under previous GAAP as a deduction from equity:
 - (i) it shall not recognise that goodwill in its opening SB-FRS ~~balance sheet~~ statement of financial position. Furthermore, it shall not ~~transfer~~ reclassify that goodwill to ~~the income statement~~ profit or loss if it disposes of the subsidiary or if the investment in the subsidiary becomes impaired.

SB-FRS 104 Insurance Contracts

A5 In SB-FRS 104, paragraphs 30 and 39A(a) are amended as follows:

30 In some accounting models ... The related adjustment to the insurance liability (or deferred acquisition costs or intangible assets) shall be recognised in ~~equity~~ other comprehensive income if, and only if, the unrealised gains or losses are recognised ~~directly in equity~~ in other comprehensive income. This practice ...

39A To comply with ...

- (a) a sensitivity analysis that shows how profit or loss and equity would have been affected ~~had~~ if changes in the relevant risk variable that were reasonably possible at the ~~balance sheet date~~ end of the reporting period had occurred; the methods and assumptions used in preparing the sensitivity analysis; and any changes from the previous period in the methods and assumptions used. However ...

Paragraph 41B is added as follows:

41B SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraph 30. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

SB-FRS 105 Non-current Assets Held for Sale and Discontinued Operations

A6 SB-FRS 105 is amended as described below.

In paragraph 3, '(as revised in 2003)' is deleted.

In paragraph 28, 'in the same income statement caption' is amended to 'in the same caption in the statement of comprehensive income'.

Paragraph 33A is added as follows:

33A If an entity presents the components of profit or loss in a separate income statement as described in paragraph 81 of SB-FRS 1 (as revised in 2008), a section identified as relating to discontinued operations is presented in that separate statement.

In paragraph 38, 'recognised directly in equity' is amended to 'recognised in other comprehensive income'.

Paragraph 44A is added as follows:

44A SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraphs 3 and 38, and added paragraph 33A. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

In Appendix A, the definition of **current asset** is amended as follows:

An entity shall classify an asset as current when: ~~that satisfies any of the following criteria:~~

- (a) ~~it is expected to be realised in the asset, or is intended for to sale sell or consumption it, in, the entity's its~~ normal operating cycle;
- (b) ~~it is held~~ holds the asset primarily for the purpose of ~~being tradinged~~;
- (c) ~~it is expected to be realised the asset~~ within twelve months after the ~~balance sheet date reporting period~~; or
- (d) ~~it the asset~~ is cash or a cash equivalent (as defined in SB-FRS 7) unless ~~the asset~~ it is restricted from being exchanged or used to settle a liability for at least twelve months after the ~~balance sheet date reporting period~~.

SB-FRS 107 *Financial Instruments: Disclosures*

A7 SB-FRS 107 is amended as described below.

The heading above paragraph 20 is amended as follows:

~~Income statement and equity~~ Statement of comprehensive income

Paragraph 20 is amended as follows:

20 An entity shall disclose the following items of income, expense, gains or losses either ~~on the face of in the financial statements~~ statement of comprehensive income or in the notes:

- (a) net gains or net losses on:
 - (i) ...
 - (ii) available-for-sale financial assets, showing separately the amount of gain or loss recognised ~~directly in equity in other comprehensive income~~ during the period and the amount ~~removed reclassified~~ from equity ~~and recognised in to~~ profit or loss for the period;
 - (iii) ...

Paragraph 21 is amended as follows:

21 In accordance with paragraph ~~408 117~~ of SB-FRS 1 *Presentation of Financial Statements (as revised in 2008)*, an entity discloses, in the summary of significant accounting policies, the measurement basis (or bases) used in preparing the financial statements and the other accounting policies used that are relevant to an understanding of the financial statements.

Paragraph 23(c) and (d) is amended as follows:

- 23 For cash flow hedges, an entity shall disclose: ...
- (c) the amount that was recognised in ~~equity~~ other comprehensive income during the period;
 - (d) the amount that was ~~removed~~ reclassified from equity ~~and included in~~ to profit or loss for the period, showing the amount included in each line item in the ~~income statement of comprehensive income~~; and ...

In paragraph 27(c), 'in equity' is amended to 'in other comprehensive income'.

Paragraph 44A is added as follows:

- 44A SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraphs 20, 21, 23(c) and (d), 27(c) and B5 of Appendix B. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

Paragraph B5 is amended as follows:

- B5 ... Paragraph ~~113~~ 122 of SB-FRS 1 (as revised in 2008) also requires entities to disclose, in the summary of significant accounting policies or other notes, the judgments, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

In paragraph B14 of Appendix B, 'balance sheet amount' is amended to 'amount in the statement of financial position'.

SB-FRS 108 Operating Segments

A8 In SB-FRS 108, paragraphs 21 and 23(f) are amended as follows:

- 21 To give ... Reconciliations of the amounts in the statement of financial position ~~balance sheet amounts~~ for reportable segments to the amounts in the entity's statement of financial position ~~balance sheet amounts~~ are required for each date at which a ~~balance sheet~~ statement of financial position is presented. Information for prior periods shall be restated as described in paragraphs 29 and 30.
- 23 An entity shall...
- (f) material items of income and expense disclosed in accordance with paragraph ~~86~~ 97 of SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008);

Paragraph 36A is added as follows:

- 36A SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraph 23(f). An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

SB-FRS 7 Statement of Cash Flows

A9 SB-FRS 7 is amended as described below.

The title is amended to 'Statement of Cash Flows'.

The title (as amended) above the Objective is footnoted as follows: 'In March 2008 the ASC amended the title of SB-FRS 7 from *Cash Flow Statements to Statement of Cash Flows* as a consequence of the revision of SB-FRS 1 *Presentation of Financial Statements* in 2008.'

In paragraph 32, 'the income statement' is amended to 'profit or loss'.

SB-FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors

A10 SB-FRS 8 is amended as described below.

In paragraph IN6, 'in the previous version of SB-FRS 1 *Presentation of Financial Statements*' is amended to 'in SB-FRS 1 *Presentation of Financial Statements* (as issued in 1997)'.

Paragraph 5 is amended as follows:

- o in the definition of **Statutory Board Financial Reporting Standards (SB-FRSs)**, 'originated' is amended to 'developed'.
- o in the definition of **Material**, 'of users taken' is amended to 'that users make'.

SB-FRS 10 Events after the Reporting Period

A11 SB-FRS 10 is amended as described below.

The title is amended to '*Events after the Reporting Period*'.

In paragraph IN1 '(SB-FRS 10)' is footnoted as follows:

'In March 2008 the ASC amended the title of SB-FRS 10 from *Events after the Balance Sheet Date to Events after the Reporting Period* as a consequence of the revision of SB-FRS 1 *Presentation of Financial Statements* in 2008.'

In paragraph 21, 'of users taken' is amended to 'that users make'.

SB-FRS 11 Construction Contracts

A12 In SB-FRS 11, in paragraphs 26, 28 and 38, 'the income statement' is amended to 'profit or loss'.

SB-FRS 12 Income Taxes

A13 SB-FRS 12 is amended as described below.

In the rubric, the first sentence is amended as follows:

Statutory Board Financial Reporting Standard 12 *Income Taxes* (SB-FRS 12) is set out in paragraphs ~~4-9~~ 1-92. All the paragraphs ...

In paragraph IN2, the terms 'income statement liability method' and 'balance sheet liability method' are not amended.

The footnote to paragraph IN11 is amended as follows:

'This requirement has been moved to paragraph ~~70~~ 56 of SB-FRS 1 *Presentation of*

Financial Statements (as revised in 2008).’

In paragraph IN14, ‘the income statement’ is amended to ‘profit or loss’.

The third paragraph of the ‘**Objective**’ in SB-FRS 12 is amended as follows:

‘... For transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).’

In paragraphs 22(b), 59, 60 and 65, ‘the income statement’ is amended to ‘profit or loss’, and in paragraph 81(g)(ii) ‘**the income statement**’ is amended to ‘**profit or loss**’.

Paragraph 23 is amended as follows:

23 ... In accordance with paragraph 61A, the deferred tax is charged directly to the carrying amount of the equity component. In accordance with paragraph 58, subsequent changes in the deferred tax liability are recognised in profit or loss ~~the income statement~~ as deferred tax expense (income).

In paragraph 52, in the notes at the end of Example B and Example C, ‘*paragraph 61*’ is amended to ‘*paragraph 61A*’ and ‘*charged directly to equity*’ is amended to ‘*recognised in other comprehensive income*’.

The heading above paragraph 58 and paragraph 58 are amended as follows:

Income statement items recognised in profit or loss

58 Current and deferred tax shall be recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

(a) **a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity (see paragraphs 61A to 65); ...**

In paragraph 60, ‘charged or credited to equity’ is amended to ‘recognised outside profit or loss’.

In the heading above paragraph 61, ‘**credited or charged directly to equity**’ is amended to ‘**recognised outside profit or loss**’.

Paragraph 61 is deleted and paragraph 61A is added as follows:

61A Current tax and deferred tax shall be recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:

(a) **in other comprehensive income, shall be recognised in other comprehensive income (see paragraph 62).**

(b) **directly in equity, shall be recognised directly in equity (see paragraph 62A).**

Paragraphs 62 and 63 are amended and paragraph 62A is added as follows:

62 Statutory Board Financial Reporting Standards require or permit certain particular

items to be credited or charged directly to equity recognised in other comprehensive income. Examples of such items are:

- (a) a change in carrying amount arising from the revaluation of property, plant and equipment (see SB-FRS 16); and
- (b) ~~[deleted] an adjustment to the opening balance of retained earnings resulting from either a change in accounting policy that is applied retrospectively or the correction of an error (see SB-FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors);~~
- (c) exchange differences arising on the translation of the financial statements of a foreign operation (see SB-FRS 21); and
- (d) ~~[deleted] amounts arising on initial recognition of the equity component of a compound financial instrument (see paragraph 23).~~

62A Statutory Board Financial Reporting Standards require or permit particular items to be credited or charged directly to equity. Examples of such items are:

- (a) an adjustment to the opening balance of retained earnings resulting from either a change in accounting policy that is applied retrospectively or the correction of an error (see SB-FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*); and
- (b) amounts arising on initial recognition of the equity component of a compound financial instrument (see paragraph 23).

63 In exceptional circumstances it may be difficult to determine the amount of current and deferred tax that relates to items credited or charged to equity recognised outside profit or loss (either in other comprehensive income or directly in equity). This may be the case, for example, when:

- (a) ...
- (b) a change in the tax rate ... to an item that was previously recognised outside profit or loss ~~charged or credited to equity~~; or
- (c) an entity ... and the deferred tax asset relates (in whole or in part) to an item that was previously recognised outside profit or loss ~~charged or credited to equity~~.

In such cases, the current and deferred tax related to items that are recognised outside profit or loss ~~are credited or charged to equity~~ is based on a reasonable pro rata allocation of the current and deferred tax of the entity in the tax jurisdiction concerned, or other method that achieves a more appropriate allocation in the circumstances.

In paragraph 65, 'credited or charged to equity' is amended to 'recognised in other comprehensive income'.

Paragraph 68C is amended as follows:

68C As noted ... (a) a transaction or event ~~which~~ that is recognised, in the same or a different period, ~~directly in equity~~ outside profit or loss, or (b) a business combination.
...

Paragraph 77 is amended and paragraph 77A is added as follows:

77 The tax expense (income) related to profit or loss from ordinary activities shall

be presented ~~in~~ on the face of the income statement of comprehensive income.

- 77A If an entity presents the components of profit or loss in a separate income statement as described in paragraph 81 of SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008), it presents the tax expense (income) related to profit or loss from ordinary activities in that separate statement.

Paragraph 81 is amended as follows:

- 81 The following shall also be disclosed separately:
- (a) the aggregate current and deferred tax relating to items that are charged or credited directly to equity (see paragraph 62A);
 - (ab) the amount of income tax relating to each component of other comprehensive income (see paragraph 62 and SB-FRS 1 (as revised in 2008));
 - (b) [deleted]; ...

Paragraph 92 is added as follows:

- 92 SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraphs 23, 52, 58, 60, 62, 63, 65, 68C, 77 and 81, deleted paragraph 61 and added paragraphs 61A, 62A and 77A. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

SB-FRS 14 *Segment Reporting*

- A14 SB-FRS 14 is amended as described below.

In the rubric, the first sentence is amended as described below.

Statutory Board Financial Reporting Standard 14 *Segment Reporting* (SB-FRS 14) is set out in paragraphs ~~1–84~~ 1–85. All the paragraphs ...

Paragraphs 2 and 54 are amended as follows:

- 2 A complete set of financial statements includes a ~~balance sheet statement of financial position, income~~ a statement of comprehensive income, cash flow ~~a statement of cash flows~~, a statement ~~showing~~ of changes in equity, and notes, as provided in SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008). When a separate income statement is presented in accordance with SB-FRS 1, it is part of that complete set.
- 52A **An entity ... all operations that had been classified as discontinued at the ~~balance sheet date~~ end of the latest reporting period presented.**
- 54 An example of a measure of segment performance above segment result ~~on~~ in the ~~income~~ statement of comprehensive income is gross margin on sales. Examples of measures of segment performance below segment result ~~on~~ in the ~~income~~ statement of comprehensive income are profit or loss from ordinary activities (either before or after income taxes) and profit or loss.

Paragraph 85 is added as follows:

- 85 SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-

FRSs. In addition it amended paragraph 2. An entity shall apply SB-FRS 1 (revised 2008) for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

SB-FRS 16 *Property, Plant and Equipment*

A15 SB-FRS 16 is amended as described below.

Paragraphs 39 and 40 are amended as follows:

39 If an asset's carrying amount is increased as a result of a revaluation, the increase shall be ~~credited directly to equity~~ recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However ...

40 If an asset's ... However, the decrease shall be ~~debited directly to equity under the heading of revaluation surplus~~ recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

In paragraph 73(e)(iv), 'recognised or reversed directly in equity' is amended to 'recognised or reversed in other comprehensive income'.

Paragraph 81B is added as follows:

81B SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraphs 39, 40 and 73(e)(iv). An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

SB-FRS 19 *Employee Benefits*

A16 SB-FRS 19 is amended as described below.

In the rubric, the first sentence is amended as described below.

Statutory Board Financial Reporting Standard 19 *Employee Benefits* (SB-FRS 19) is set out in paragraphs ~~1-160~~ 1-161. All the paragraphs ...

In paragraph IN6(k), 'previous reporting date' is amended to 'end of the previous reporting period' and 'outside profit or loss in a statement of recognised income and expense' is amended to 'in other comprehensive income'.

In paragraph 69, 'at each successive balance sheet date' is amended to 'at the end of each successive reporting period'.

Paragraphs 93A-93D are amended as follows:

93A If, as permitted by paragraph 93, an entity adopts a policy of recognising actuarial gains and losses in the period in which they occur, it may recognise them ~~outside profit or loss in other comprehensive income~~, in accordance with paragraphs 93B-93D, providing ...

- 93B ~~Actuarial gains and losses recognised outside profit or loss in other comprehensive income as permitted by paragraph 93A shall be presented in the a statement of comprehensive income. changes in equity titled 'statement of recognised income and expense' that comprises only the items specified in paragraph 96 of SB-FRS 1 (as revised in 2003). The entity shall not present the actuarial gains and losses in a statement of changes in equity in the columnar format referred to in paragraph 101 of SB-FRS 1 or any other format that includes the items specified in paragraph 97 of SB-FRS 1.~~
- 93C An entity that recognises actuarial gains and losses in accordance with paragraph 93A shall also recognise any adjustments arising from the limit in paragraph 58(b) in other comprehensive income outside profit or loss in the statement of recognised income and expense.
- 93D Actuarial gains and losses and adjustments arising from the limit in paragraph 58(b) that have been recognised ~~directly in the statement of recognised income and expense in other comprehensive income~~ shall be recognised immediately in retained earnings. They shall not be ~~recognised in~~ reclassified to profit or loss in a subsequent period.

In paragraph 105 and in the third paragraph of the Example illustrating paragraph 106, 'the income statement' is amended to 'profit or loss'.

Paragraph 120A is amended as follows:

- 120A An entity shall disclose the following information about defined benefit plans:**
- ...
- (h) **the total amount recognised in other comprehensive income ~~the statement of recognised income and expense~~ for each of the following:**
- ...
- (i) **for entities that recognise actuarial gains and losses in ~~the statement of recognised income and expense~~ other comprehensive income in accordance with paragraph 93A, the cumulative amount of actuarial gains and losses recognised in ~~the statement of recognised income and expense~~ other comprehensive income.**

Paragraph 161 is added as follows:

- 161 SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraphs 93A–93D, 106 (Example) and 120A. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.**

SB-FRS 20 Accounting for Government Grants and Disclosure of Government Assistance

- A17 SB-FRS 20 is amended as described below.

In the rubric, the first sentence is amended as described below.

Statutory Board Financial Reporting Standard 20 *Accounting for Government Grants and Disclosure of Government Assistance* (SB-FRS 20) is set out in paragraphs ~~1–41~~ 1–42. All the paragraphs ...

In paragraphs 14 and 15, 'the income statement' is amended to 'profit or loss'.

In paragraph 28, 'for the purpose of balance sheet presentation' is amended to 'for presentation purposes in the statement of financial position'.

Paragraph 29A is added as follows:

29A If an entity presents the components of profit or loss in a separate income statement as described in paragraph 81 of SB-FRS 1 (as revised in 2008), it presents grants related to income as required in paragraph 29 in that separate statement.

Paragraph 42 is added as follows:

42 SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it added paragraph 29A. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

SB-FRS 21 *The Effects of Changes in Foreign Exchange Rates*

A18 SB-FRS 21 is amended as described below.

Paragraph IN14(a) is amended as follows:

- o 'at the closing rate at the date of that balance sheet' is amended to 'at the closing rate at the date of that statement of financial position'.
- o 'each income statement' is amended to 'each statement of comprehensive income or separate income statement'.

In paragraph IN14(b), '(eg balance sheet and income statement amounts)' is amended to '(eg amounts in a statement of financial position and statement of comprehensive income)'.

In paragraph 7, 'a cash flow statement of cash flows arising' is amended to 'a statement of cash flows of the cash flows arising'.

In the heading above paragraph 23, '**Reporting at subsequent balance sheet dates**' is amended to '**Reporting at the ends of subsequent reporting periods**'.

In paragraph 27, 'reported initially in equity' is amended to 'recognised initially in other comprehensive income'.

In paragraphs 30 and 31, 'recognised directly in equity' and 'recognised in equity' are amended to 'recognised in other comprehensive income'.

In paragraph 32, '**recognised initially in a separate component of equity and recognised in profit or loss**' is amended to '**recognised initially in other comprehensive income and reclassified from equity to profit or loss**'.

In paragraph 33, 'reclassified to the separate component of equity' is amended to 'recognised in other comprehensive income'.

Paragraph 37 is amended as follows:

37 The effect ... Exchange differences arising from the translation of a foreign operation previously ~~classified in equity~~ recognised in other comprehensive income in accordance with paragraphs 32 and 39(c) are not ~~recognised in~~ reclassified from equity to profit or loss until the disposal of the operation.

In paragraph 39(a), 'at the closing rate at the date of that balance sheet' is amended to 'at the closing rate at the date of that statement of financial position'.

In paragraph 39(b), 'each income statement' is amended to 'each statement of comprehensive income or separate income statement presented'.

In paragraph 39(c), 'as a separate component of equity' is amended to 'in other comprehensive income'.

Paragraphs 41, 45, 46, 48 and 52 are amended as follows:

- 41 The exchange differences referred to in paragraph 39(c) result from:
- (a) translating income and expenses at the exchange rates at the dates of the transactions and assets and liabilities at the closing rate. ~~Such exchange differences arise both on income and expense items recognised in profit or loss and on those recognised directly in equity.~~
- ...
- These exchange differences are not recognised in profit or loss because the changes in exchange rates have little or no direct effect on the present and future cash flows from operations. The cumulative amount of the exchange differences is presented in a separate component of equity until disposal of the foreign operation. When the exchange differences relate to a foreign operation that is consolidated but not wholly-owned, ...
- 45 The incorporation ... Accordingly, in the consolidated financial statements of the reporting entity, such an exchange difference ~~continues to be~~ is recognised in profit or loss or, if it arises from the circumstances described in paragraph 32, it is ~~classified as equity~~ recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of the foreign operation.
- 46 When ... SB-FRS 27 allows the use of a different reporting date provided that the difference is no greater than three months and adjustments are made for the effects of any significant transactions or other events that occur between the different dates.
- ...
- 48 **On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, deferred recognised in other comprehensive income and accumulated in a separate component of equity, relating to that foreign operation shall be recognised in reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognised (see SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008)).**
- 52 An entity shall disclose: ...
- (b) **net exchange differences classified recognised in other comprehensive income and accumulated in a separate component of equity, and a reconciliation of the amount of such exchange differences at the beginning and end of the period.**

Paragraph 60A is added as follows:

- 60A **SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraphs 27, 30–33, 37, 39, 41, 45, 48 and 52. An entity shall apply those amendments for annual periods beginning on or**

after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

SB-FRS 24 *Related Party Disclosures*

- A19 In SB-FRS 24, in paragraph 19, 'on the balance sheet' is amended to 'in the statement of financial position'.

SB-FRS 27 *Consolidated and Separate Financial Statements*

- A20 SB-FRS 27 is amended as described below.

In paragraph 4, in the definition of the *cost method*, 'accumulated profits' is amended to 'retained earnings'.

Paragraphs 26, 27, 30 and 40(e) are amended as follows:

- 26 The financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements shall be prepared as of the same reporting date. When the ~~reporting dates~~ end of the reporting period of the parent is different from that of ~~and a subsidiary are different~~, the subsidiary prepares, for consolidation purposes, additional financial statements as of the same date as the financial statements of the parent unless it is impracticable to do so.
- 27 When ... the financial statements of a subsidiary used in the preparation of consolidated financial statements are prepared as of a reporting date different from that of the parent, adjustments shall be made for the effects of significant transactions or events that occur between that date and the date of the parent's financial statements. In any case, the difference between the ~~reporting date~~ end of the reporting period of the subsidiary and that of the parent shall be no more than three months. The length of the reporting periods and any difference between in the ~~reporting dates~~ ends of the reporting periods shall be the same from period to period.
- 30 The income ... recognised in ~~equity~~ other comprehensive income in accordance with SB-FRS 21 *The Effects of Changes in Foreign Exchange Rates*, is ~~recognised in the reclassified to consolidated income statement~~ profit or loss as a reclassification adjustment as the gain or loss on the disposal of the subsidiary.
- 40 The following disclosures ...
- (e) ~~the reporting date~~ end of the reporting period of the financial statements of a subsidiary when such financial statements are used to prepare consolidated financial statements and are as of a reporting date or for a period that is different from that of the parent, and the reason for using a different ~~reporting date~~ or period; ...

Paragraph 43A is added as follows:

- 43A SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraph 30. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

SB-FRS 28 *Investments in Associates*

A21 SB-FRS 28 is amended as described below.

In paragraph IN12, 'as of a reporting date' is amended to 'as at the end of the reporting period'.

Paragraphs 11, 24, 25, 37(e) and 39 are amended as follows:

- 11 Under the equity method ... Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income equity ~~that have not been recognised in the investee's profit or loss~~. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The investor's share of those changes is recognised ~~directly in equity~~ in other comprehensive income of the investor (see SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008)).
- 24 **The most recent ... When the reporting dates end of the reporting period of the investor and is different from that of the associate are different, the associate prepares, for the use of the investor, financial statements as of the same date as the financial statements of the investor unless it is impracticable to do so.**
- 25 **When ... the financial statements of an associate used in applying the equity method are prepared as of a different reporting date from that of the investor ... In any case, the difference between the reporting date end of the reporting period of the associate and that of the investor shall be no more than three months. The length of the reporting periods and any difference between in the reporting dates ends of the reporting periods shall be the same from period to period.**
- 37 **The following disclosures ...**
- (e) **the end of the reporting period reporting date of the financial statements of an associate, when such financial statements are used in applying the equity method and are as of a reporting date or for a period that is different from that of the investor, and the reason for using a different reporting date or different period;**
- 39 **The investor's share of changes recognised directly in the associate's equity in other comprehensive income by the associate shall be recognised by the investor in other comprehensive income ~~directly in equity by the investor and shall be disclosed in the statement of changes in equity as required by SB-FRS 1 *Presentation of Financial Statements*~~.**

Paragraph 41A is added as follows:

- 41A **SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraphs 11 and 39. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.**

SB-FRS 29 *Financial Reporting in Hyperinflationary Economies*

A22 SB-FRS 29 is amended as described below.

In paragraph 27, 'income statement items' is amended to 'items in the statement of comprehensive income'.

In paragraph 28, 'income statement items' is amended to 'income and expense items'.

In paragraph 36, 'reporting dates' is amended to 'ends of the reporting periods'.

SB-FRS 32 *Financial Instruments: Presentation*

A23 SB-FRS 32 is amended as described below.

In paragraph 18, 'on the entity's balance sheet' is amended to 'in the entity's statement of financial position'.

In paragraph 29, last sentence, 'on its balance sheet' is amended to 'in its statement of financial position'.

In paragraph 40, 'income statement' is amended to 'statement of comprehensive income or separate income statement (if presented)' (twice).

Paragraph 97A is added as follows:

97A SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraph 40. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

The Application Guidance is amended as described below.

In paragraph AG31, 'on the balance sheet' is amended to 'in the statement of financial position'.

In paragraph AG39, 'on an entity's balance sheet' is amended to 'in an entity's statement of financial position'.

SB-FRS 33 *Earnings per Share*

A24 SB-FRS 33 is amended as described below.

In paragraph 4, '**on the face of its separate income statement**' is amended to '**in its statement of comprehensive income**'.

Paragraph 4A is added as follows:

4A If an entity presents the components of profit or loss in a separate income statement as described in paragraph 81 of SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008), it presents earnings per share only in that separate statement.

In paragraph 13, '*Presentation of Financial Statements*' is deleted.

Paragraph 67 is amended as follows: '... dual presentation can be accomplished in one line in ~~on~~ the ~~income~~ statement of comprehensive income.'

Paragraphs 67A, 73A and 74A are added as follows:

67A If an entity presents the components of profit or loss in a separate income statement as described in paragraph 81 of SB-FRS 1 (as revised in 2008), it presents basic and diluted earnings per share, as required in paragraphs 66 and 67, in that separate statement.

68A If an entity presents the components of profit or loss in a separate income statement

as described in paragraph 81 of SB-FRS 1 (as revised in 2008), it presents basic and diluted earnings per share for the discontinued operation, as required in paragraph 68, in that separate statement or in the notes.

- 73A** Paragraph 73 applies also to an entity that discloses, in addition to basic and diluted earnings per share, amounts per share using a reported component of the separate income statement (as described in paragraph 81 of SB-FRS 1 (as revised in 2008)), other than one required by this Standard.
- 74A** SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it added paragraphs 4A, 67A, 68A and 73A. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

SB-FRS 34 *Interim Financial Reporting*

- A25 SB-FRS 34 is amended as described below.

In the rubric, the first sentence is amended as described below.

Statutory Board Financial Reporting Standard 34 *Interim Financial Reporting* (SB-FRS 34) is set out in paragraphs ~~1–46~~ 1–47. All the paragraphs ...

Paragraph IN5 is amended as follows:

- IN5 The ~~M~~minimum content of an interim financial report is a condensed ~~balance sheet statement of financial position~~, a condensed ~~income~~ statement of comprehensive income, a condensed ~~cash flow~~ statement of cash flows, a condensed statement showing of changes in equity, and selected explanatory notes. If an entity presents the components of profit or loss in a separate income statement as described in paragraph 81 of SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008), it presents interim condensed information from that separate statement.

Paragraphs 4, 5 and 8 are amended as follows:

- 4** ...

Interim financial report means a financial report containing either a complete set of financial statements (as described in SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008)) or a set of condensed financial statements (as described in this Standard) for an interim period.

- 5** SB-FRS 1 (as revised in 2008) defines a complete set of financial statements as including the following components:
- (a) ~~a balance sheet~~ a statement of financial position as at the end of the period;
 - (b) ~~an income statement~~ a statement of comprehensive income for the period;
 - (c) a statement of changes in equity for the period; showing either:
 - (i) ~~all changes in equity; or~~
 - (ii) ~~changes in equity other than those arising from transactions with equity holders acting in their capacity as equity holders;~~
 - (d) ~~a cash flow~~ a statement of cash flows for the period; and

- (e) notes, comprising a summary of significant accounting policies and other explanatory ~~notes~~ information; and
- (f) a statement of financial position as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

8 An interim financial report shall include ...

- (a) **a condensed ~~balance sheet~~ statement of financial position;**
- (b) **a condensed ~~income statement~~ of comprehensive income, presented as either:**
 - (i) **a condensed single statement; or**
 - (ii) **a condensed separate income statement and a condensed statement of comprehensive income;**
- (c) **a condensed ~~statement of changes in equity showing either (i) all changes in equity or (ii) changes in equity other than those arising from capital transactions with owners and distributions to owners;~~**
- (d) **a condensed ~~cash flow~~ statement of cash flows; and**
- (e) **selected explanatory notes.**

Paragraph 8A is added as follows:

- 8A If an entity presents the components of profit or loss in a separate income statement as described in paragraph 81 of SB-FRS 1 (as revised in 2008), it presents interim condensed information from that separate statement.**

Paragraph 11 is amended as follows:

- 11 In the statement that presents the components of profit or loss for an interim period, an entity shall present ~~Basic and diluted earnings per share shall be presented on the face of an income statement, complete or condensed,~~ for an interim that period.**

Paragraph 11A is added as follows:

- 11A If an entity presents the components of profit or loss in a separate income statement as described in paragraph 81 of SB-FRS 1 (as revised in 2008), it presents basic and diluted earnings per share in that separate statement.**

Paragraph 12 is amended as follows:

- 12 SB-FRS 1 (as revised in 2008) provides guidance on the structure of financial statements. ...**

Paragraph 13 is deleted.

In paragraph 16(j), 'last annual balance sheet date' is amended to 'end of the last annual reporting period'.

Paragraph 20 is amended as follows:

20 Interim reports shall ...

- (a) ... financial year;
- (b) income statements of comprehensive income for the current interim period and cumulatively for the current financial year to date, with comparative income statements of comprehensive income for the comparable interim periods (current and year-to-date) of the immediately preceding financial year; As permitted by SB-FRS 1 (as revised in 2008), an interim report may present for each period either a single statement of comprehensive income, or a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income (statement of comprehensive income).
- (c) statement showing of changes in equity ... preceding financial year; and.
- (d) ...

In paragraph 21, 'ending on the interim reporting date' is amended to 'up to the end of the interim period'.

In paragraph 30(b), 'on the balance sheet' is amended to 'in the statement of financial position'.

In paragraph 31, 'both at annual and interim financial reporting dates' is amended to 'at the end of both annual and interim financial reporting periods'.

In paragraph 32, 'at an interim reporting date' is amended to 'at the end of an interim reporting period' and 'at an annual reporting date' is amended to 'at the end of an annual reporting period'.

Paragraph 47 is added as follows:

- 47 SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraphs 4, 5, 8, 11, 12 and 20, deleted paragraph 13 and added paragraphs 8A and 11A. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.**

SB-FRS 36 *Impairment of Assets*

A26 SB-FRS 36 is amended as described below.

Paragraphs 61 and 120 are amended as follows:

- 61 An impairment loss on a non-revalued asset is recognised in profit or loss. However, an impairment loss on a revalued asset is recognised ~~directly against any revaluation surplus for the asset~~ in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Such an impairment loss on a revalued asset reduces the revaluation surplus for that asset.
- 120 A reversal of an impairment loss on a revalued asset is ~~credited directly to equity under the heading~~ recognised in other comprehensive income and increases the revaluation surplus for that asset. However, ...

In paragraphs 126 and 129, 'directly in equity' is amended to 'in other comprehensive

income’.

Paragraph 140A is added as follows:

140A SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraphs 61, 120, 126 and 129. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

SB-FRS 37 Provisions, Contingent Liabilities and Contingent Assets

A27 SB-FRS 37 is amended as described below.

In paragraph 21, ‘of users taken’ is amended to ‘that users make’.

In paragraph 25, ‘balance sheet items’ is amended to ‘items in the statement of financial position’.

In paragraph 75, ‘of users taken’ is amended to ‘that users make’.

SB-FRS 38 Intangible Assets

A28 SB-FRS 38 is amended as described below.

Paragraphs 85 and 86 are amended as follows:

85 If an intangible asset’s carrying amount is increased as a result of a revaluation, the increase shall be ~~credited directly to equity~~ recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, ...

86 If an intangible ... However, the decrease shall be ~~debited directly to equity under the heading of revaluation surplus~~ recognised in other comprehensive income to the extent of any credit balance in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

In paragraph 87, ‘through the income statement’ is amended to ‘through profit or loss’.

In paragraph 118(e)(iii), ‘**directly in equity**’ is amended to ‘**in other comprehensive income**’.

Paragraph 130B is added as follows:

130B SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraphs 85, 86 and 118(e)(iii). An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

SB-FRS 39 Financial Instruments: Recognition and Measurement

A29 SB-FRS 39 is amended as described below.

References to:

- o 'recognised in equity' and 'recognised directly in equity' are amended to 'recognised in other comprehensive income'.
- o 'separate balance sheet line item' are amended to 'separate line item in the statement of financial position'.

Paragraph IN24 is amended as follows:

IN24 The Standard requires that when a hedged forecast transaction occurs and results in the recognition of a *financial* asset or a *financial* liability, the gain or loss recognised in other comprehensive income ~~deferred in equity~~ does not adjust the initial carrying amount of the asset or liability (ie basis adjustment is prohibited), but remains in equity and is ~~recognised in~~ reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment. For hedges of forecast transactions that result in the recognition of a *non-financial* asset or a *non-financial* liability, the entity has a choice of whether to apply basis adjustment or retain the hedging gain or loss in equity and ~~report~~ reclassify it from equity to profit or loss when the asset or liability affects profit or loss as a reclassification adjustment.

In the last sentence of paragraph 11, '**on the face of the financial statements**' is amended to '**in the statement of financial position**'.

In paragraph 12, '**at a subsequent financial reporting date**' is amended to '**at the end of a subsequent financial reporting period**'.

In paragraph 14, '**on its balance sheet**' is amended to '**in its statement of financial position**'.

Paragraphs 54 and 55 are amended as follows:

54 If, as a result ... Any previous gain or loss on that asset that has been recognised directly in equity other comprehensive income in accordance with paragraph 55(b) shall be accounted for as follows:

- (a) **In the case ... If the financial asset is subsequently impaired, any gain or loss that has been recognised ~~directly in equity~~ in other comprehensive income is ~~recognised in~~ reclassified from equity to profit or loss in accordance with paragraph 67.**
- (b) **In the case of a financial asset that does not have a fixed maturity, the gain or loss shall ~~remain in equity until the financial asset is sold or otherwise disposed of, when it shall be~~ recognised in profit or loss when the financial asset is sold or otherwise disposed of. If the financial asset is subsequently impaired any previous gain or loss that has been recognised ~~directly in equity~~ is recognised in other comprehensive income is reclassified from equity to profit or loss in accordance with paragraph 67.**

55 A gain or loss ... shall be recognised, as follows.

...

- (b) **A gain or loss on an available-for-sale financial asset shall be recognised ~~directly in equity, through the statement of changes in equity (see SB-FRS 1 Presentation of Financial Statements), in other~~**

comprehensive income, except for impairment losses (see paragraphs 67–70) and foreign exchange gains and losses (see Appendix A paragraph AG83), until the financial asset is derecognised, ~~a~~ **At which that time, the cumulative gain or loss previously recognised in equity other comprehensive income shall be recognised in reclassified from equity to profit or loss as a reclassification adjustment (see SB-FRS 1 Presentation of Financial Statements (as revised in 2008)).** However, ...

In paragraph 68, ‘**removed from equity and recognised in profit or loss**’ is amended to ‘**reclassified from equity to profit or loss**’.

In paragraph 95(a), ‘**recognised directly in equity through the statement of changes in equity (see SB-FRS 1)**’ is amended to ‘**recognised in other comprehensive income**’.

In paragraph 97, ‘**reclassified into profit or loss**’ is amended to ‘**reclassified from equity to profit or loss as a reclassification adjustment (see SB-FRS 1 (as revised in 2008))**’.

Paragraphs 98 and 100 are amended as follows:

98 If a hedge ...

- (a) It reclassifies the associated gains and losses that were recognised ~~directly in equity in other comprehensive income~~ in accordance with paragraph 95 into profit or loss **as a reclassification adjustment (see SB-FRS 1 (revised 2008))** in the same period or periods during which the asset acquired or liability assumed affects profit or loss (such as in the periods that depreciation expense or cost of sales is recognised). However, if an entity expects that all or a portion of a loss recognised ~~directly in equity in other comprehensive income~~ will not be recovered in one or more future periods, it shall reclassify ~~from equity~~ **into profit or loss as a reclassification adjustment** the amount that is not expected to be recovered.
- (b) It removes the associated gains and losses that were recognised ~~directly in equity~~ **other comprehensive income** in accordance with paragraph 95 ...

100 For cash flow hedges other than those covered by paragraphs 97 and 98, amounts that had been recognised ~~in other comprehensive income directly in equity~~ shall be **recognised in reclassified from equity to profit or loss as a reclassification adjustment (see SB-FRS 1 (revised 2008))** in the same period or periods during which the hedged forecast transaction affects profit or loss (for example, when a forecast sale occurs).

In paragraph 101, ‘**remains recognised directly in equity**’ is amended to ‘**has been recognised in other comprehensive income**’, ‘**shall remain separately recognised in equity**’ is amended to ‘**shall remain separately in equity**’ and ‘**shall be recognised in profit or loss**’ is amended to ‘**shall be reclassified from equity to profit or loss as a reclassification adjustment**’.

Paragraph 102 is amended as follows:

102 Hedges of a net investment ...

- (a) the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge (see paragraph 88) shall be ~~recognised in other comprehensive income directly in equity through the statement of changes in equity (see SB-FRS 1);~~ and

- (b) the ineffective portion shall be recognised in profit or loss.

The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognised in other comprehensive income directly in equity shall be recognised ~~in~~ reclassified from equity to profit or loss as a reclassification adjustment (see SB-FRS 1 (revised 2008)) on disposal of the foreign operation.

Paragraph 103C is added as follows:

- 103C** SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraphs 26, 27, 34, 54, 55, 57, 67, 68, 95(a), 97, 98, 100, 102, 105, 108, AG4D, AG4E(d)(i), AG56, AG67, AG83 and AG99B. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

Paragraphs 105 and 108 are amended as follows:

- 105** When ... For any such financial asset, the entity shall recognise all cumulative changes in fair value in a separate component of equity until subsequent derecognition or impairment, when the entity shall ~~transfer~~ reclassify that cumulative gain or loss from equity to profit or loss as a reclassification adjustment (see SB-FRS 1 (revised 2008)). The entity ...
- 108** An entity shall not adjust the carrying amount of non-financial assets and non-financial liabilities to exclude gains and losses related to cash flow hedges that were included in the carrying amount before the beginning of the financial year in which this Standard is first applied. At the beginning of the financial period in which this Standard is first applied, any amount recognised outside profit or loss (in other comprehensive income or directly in equity) for a hedge of a firm commitment that under this Standard is accounted for as a fair value hedge shall be reclassified as an asset or liability, except for a hedge of foreign currency risk that continues to be treated as a cash flow hedge.

Appendix A *Application guidance* is amended as described below.

In paragraph AG4E(d)(i), 'changes reported in equity' is amended to 'changes recognised in other comprehensive income'.

In paragraph AG25, 'each subsequent balance sheet date' is amended to 'the end of each subsequent reporting period'.

In paragraph AG51(a), 'on its balance sheet' is amended to 'in its statement of financial position'.

In paragraph AG67, 'The next financial reporting date' is amended to 'The end of the reporting period'.

Paragraph AG99B is amended as follows:

- AG99B** If a hedge of a forecast intragroup transaction qualifies for hedge accounting, any gain or loss that is recognised in other comprehensive income directly in equity in accordance with paragraph 95(a) shall be reclassified ~~into~~ from equity to profit or loss as a reclassification adjustment in the same period or periods during which the foreign currency risk of the hedged transaction affects consolidated profit or loss.

In paragraph AG129, 'on the balance sheet' is amended to 'in the statement of financial

position’.

SB-FRS 40 *Investment Property*

A30 In SB-FRS 40, paragraph 62 is amended as follows:

62 Up to the date ... In other words:

- (a) any resulting decrease in the carrying amount of the property is recognised in profit or loss. However, to the extent that an amount is included in revaluation surplus for that property, the decrease is ~~charged against that recognised in other comprehensive income and reduces the~~ revaluation surplus within equity.
- (b) any resulting increase in the carrying amount is treated as follows:
 - (i) ...
 - (ii) any remaining part of the increase is ~~credited directly in equity in recognised in other comprehensive income and increases the~~ revaluation surplus within equity. On subsequent ...

Paragraph 85A is added as follows:

85A SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraph 62. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

SB-FRS 41 *Agriculture*

A31 In paragraph 24(a) of SB-FRS 41, ‘a balance sheet date’ is amended to ‘the end of a reporting period’.

INT SB-FRS 101 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*

A32 INT SB-FRS 101 is amended as described below.

In the ‘**References**’ section, ‘SB-FRS 1 *Presentation of Financial Statements* (as revised in 2003)’ is amended to ‘SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008)’.

Paragraph 6 is amended as follows:

- 6 If the related asset is measured using the revaluation model:
- (a) changes in the liability ... so that:
 - (i) a decrease in the liability shall (subject to (b)) be ~~credited directly to recognised in other comprehensive income and increase the~~ revaluation surplus within equity, ... ;
 - (ii) an increase in the liability shall be recognised in profit or loss, except that it shall be ~~debited directly to recognised in other comprehensive income and reduce the~~ revaluation surplus within equity to the extent ...

- (b) ...
- (c) a change ... Any such revaluation shall be taken into account in determining the amounts to be ~~taken to profit or loss and equity recognised in profit or loss or in other comprehensive income~~ under (a). If a revaluation is necessary, all assets of that class shall be revalued.
- (d) SB-FRS 1 requires disclosure ~~on the face of~~ in the statement of ~~changes in equity comprehensive income of each item component of other comprehensive income or expense that is recognised directly in equity~~. In complying with this requirement, the change in the revaluation surplus arising from a change in the liability shall be separately identified and disclosed as such.

Paragraph 9A is added as follows:

- 9A SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraph 6. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

INT SB-FRS 107 *Applying the Restatement Approach under SB-FRS 29 Financial Reporting in Hyperinflationary Economies*

- A33 INT SB-FRS 107 is amended as described below.

In paragraph 3, 'closing balance sheet date of the reporting period' is amended to 'end of the reporting period'.

In paragraph 4, 'closing balance sheet date' is amended to 'end of the reporting period' and 'closing balance sheet date of that period' is amended to 'end of that reporting period'.

INT SB-FRS 110 *Interim Financial Reporting and Impairment*

- A34 INT SB-FRS 110 is amended as described below.

In paragraph 1, 'every reporting date' is amended to 'the end of each reporting period', 'every balance sheet date' is amended to 'the end of each reporting period' and 'a subsequent reporting or balance sheet date' is amended to 'the end of a subsequent reporting period'.

In paragraph 7, 'a subsequent balance sheet date' is amended to 'at the end of a subsequent reporting period'.

INT SB-FRS 14 SB-FRS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

- A34A INT SB-FRS 14 is amended as described below.

In paragraph 10, 'net balance sheet asset or liability' is amended to 'net asset or liability recognised in the statement of financial position'

In paragraph 26(b) 'the statement of recognised income and expense' is amended to 'other comprehensive income'.

Paragraph 27A is added as follows:

27A SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraph 26. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

INT SB-FRS-7 *Introduction of the Euro*

A35 INT SB-FRS-7 is amended as described below.

In the '**References**' section, 'SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008)' is added.

Paragraph 4(b) is amended as follows:

4 This means that, in particular:

(a) ...

(b) cumulative exchange differences relating to the translation of financial statements of foreign operations, recognised in other comprehensive income, shall ~~continue to be classified as~~ accumulated in equity and shall be ~~recognised as income or expense~~ reclassified from equity to profit or loss only on the disposal of the net investment in the foreign operation; and ...

Under the heading '**Effective date**' a new paragraph is added after 'SB-FRS 8', as follows:

SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraph 4. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

INT SB-FRS-10 *Government Assistance—No Specific Relation to Operating Activities*

A36 In INT SB-FRS-10, in paragraph 3, 'equity' is amended to 'shareholders' interests'.

INT SB-FRS-13 *Jointly Controlled Entities—Non-Monetary Contributions by Venturers*

A37 In INT SB-FRS-13, in paragraph 3(a), 'the income statement' is amended to 'profit or loss'.

INT SB-FRS-15 *Operating Leases—Incentives*

A38 In INT SB-FRS-15, in the '**References**' section, 'SB-FRS 1 *Presentation of Financial Statements* (as revised in 2003)' is amended to 'SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008)'.

INT SB-FRS-25 *Income Taxes—Changes in the Tax Status of an Entity or its Shareholders*

A39 INT SB-FRS-25 is amended as described below.

In the '**References**' section, 'SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008)' is added.

Paragraph 4 is amended as follows:

- 4 A change in the tax status of an entity or its shareholders does not give rise to increases or decreases in amounts recognised ~~directly in equity outside profit or loss~~. The current and deferred tax consequences of a change in tax status shall be included in profit or loss for the period, unless those consequences relate to transactions and events that result, in the same or a different period, in a direct credit or charge to the recognised amount of equity or in amounts recognised in other comprehensive income. Those tax consequences that relate to changes in the recognised amount of equity, in the same or a different period (not included in profit or loss), shall be charged or credited directly to equity. Those tax consequences that relate to amounts recognised in other comprehensive income shall be recognised in other comprehensive income.

Under the heading '**Effective date**' a new paragraph is added after 'SB-FRS 8' as follows:

SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraph 4. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

INT SB-FRS-29 Service Concession Arrangements: Disclosures

- A40 In INT SB-FRS-29, in the '**References**' section, 'SB-FRS 1 *Presentation of Financial Statements* (as revised in 2003)' is amended to 'SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008)'.

INT SB-FRS-32 Intangible Assets—Web Site Costs

- A41 INT SB-FRS-32 is amended as described below.

In the '**References**' section, 'SB-FRS 1 *Presentation of Financial Statements* (as revised in 2003)' is amended to 'SB-FRS 1 *Presentation of Financial Statements* (as revised in 2008)'.

Paragraph 5 is amended as follows:

- 5 This Interpretation ... Additionally, when an entity incurs expenditure on an Internet service provider hosting the entity's web site, the expenditure is recognised as an expense under SB-FRS 1.78 ~~88~~ and the *Framework* when the services are received.

Under the heading '**Effective date**' a second paragraph is added as follows:

SB-FRS 1 (as revised in 2008) amended the terminology used throughout SB-FRSs. In addition it amended paragraph 5. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies SB-FRS 1 (revised 2008) for an earlier period, the amendments shall be applied for that earlier period.

Guidance on implementing

SB-FRS 1 *Presentation of Financial Statements*

This guidance accompanies, but is not part of, SB-FRS 1.

Illustrative financial statement structure

- IG1 SB-FRS 1 sets out the components of financial statements and minimum requirements for disclosure in the statements of financial position, comprehensive income and changes in equity. It also describes further items that may be presented either in the relevant financial statement or in the notes. This guidance provides simple examples of ways in which the requirements of SB-FRS 1 for the presentation of the statements of financial position, comprehensive income and changes in equity might be met. An entity should change the order of presentation, the titles of the statements and the descriptions used for line items when necessary to suit its particular circumstances.
- IG2 The guidance is in three sections. Paragraphs IG3–IG6 provide examples of the presentation of financial statements. Paragraphs IG7–IG9 provide an example of the determination of reclassification adjustments for available-for-sale financial assets in accordance with SB-FRS 39 *Financial Instruments: Recognition and Measurement*. Paragraphs IG10 and IG11 provide examples of capital disclosures.
- IG3 The illustrative statement of financial position shows one way in which an entity may present a statement of financial position distinguishing between current and non-current items. Other formats may be equally appropriate, provided the distinction is clear.
- IG4 The illustrations use the term ‘comprehensive income’ to label the total of all components of comprehensive income, including profit or loss. The illustrations use the term ‘other comprehensive income’ to label income and expenses that are included in comprehensive income but excluded from profit or loss. SB-FRS 1 does not require an entity to use those terms in its financial statements.
- IG5 Two statements of comprehensive income are provided, to illustrate the alternative presentations of income and expenses in a single statement or in two statements. The single statement of comprehensive income illustrates the classification of income and expenses within profit or loss by function. The separate statement (in this example, ‘the income statement’) illustrates the classification of income and expenses within profit by nature.
- IG6 The examples are not intended to illustrate all aspects of SB-FRSs, nor do they constitute a complete set of financial statements, which would also include a statement of cash flows, a summary of significant accounting policies and other explanatory information.

Part I: Illustrative presentation of financial statements
XYZ Group – Statement of financial position as at 31 December 20X7
(in thousands of currency units)

	31 Dec 20X7	31 Dec 20X6
ASSETS		
Non-current assets		
Property, plant and equipment	350,700	360,020
Goodwill	80,800	91,200
Other intangible assets	227,470	227,470
Investments in associates	100,150	110,770
Available-for-sale financial assets	142,500	156,000
	<u>901,620</u>	<u>945,460</u>
Current assets		
Inventories	135,230	132,500
Trade receivables	91,600	110,800
Other current assets	25,650	12,540
Cash and cash equivalents	312,400	322,900
	<u>564,880</u>	<u>578,740</u>
Total assets	<u>1,466,500</u>	<u>1,524,200</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	650,000	600,000
Retained earnings	243,500	161,700
Other components of equity	10,200	21,200
	<u>903,700</u>	<u>782,900</u>
Minority interest	70,050	48,600
Total equity	<u>973,750</u>	<u>831,500</u>
Non-current liabilities		
Long-term borrowings	120,000	160,000
Deferred tax	28,800	26,040
Long-term provisions	28,850	52,240
	<u>177,650</u>	<u>238,280</u>
Total non-current liabilities	<u>177,650</u>	<u>238,280</u>
Current liabilities		
Trade and other payables	115,100	187,620
Short-term borrowings	150,000	200,000
Current portion of long-term borrowings	10,000	20,000
Current tax payable	35,000	42,000
Short-term provisions	5,000	4,800
	<u>315,100</u>	<u>454,420</u>
Total current liabilities	<u>315,100</u>	<u>454,420</u>
Total liabilities	<u>492,750</u>	<u>692,700</u>
Total equity and liabilities	<u>1,466,500</u>	<u>1,524,200</u>

**XYZ Group – Statement of comprehensive income for the year ended
31 December 20X7**

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

(in thousands of currency units)

	20X7	20X6
Revenue	390,000	355,000
Cost of sales	<u>(245,000)</u>	<u>(230,000)</u>
Gross profit	145,000	125,000
Other income	20,667	11,300
Distribution costs	(9,000)	(8,700)
Administrative expenses	(20,000)	(21,000)
Other expenses	(2,100)	(1,200)
Finance costs	(8,000)	(7,500)
Share of profit of associates ^(a)	35,100	30,100
Profit before tax	<u>161,667</u>	<u>128,000</u>
Income tax expense	<u>(40,417)</u>	<u>(32,000)</u>
Profit for the year from continuing operations	121,250	96,000
Loss for the year from discontinued operations	<u>-</u>	<u>(30,500)</u>
PROFIT FOR THE YEAR	121,250	65,500
Other comprehensive income:		
Exchange differences on translating foreign operations ^(b)	5,334	10,667
Available-for-sale financial assets ^(b)	(24,000)	26,667
Cash flow hedges ^(b)	(667)	(4,000)
Gains on property revaluation	933	3,367
Actuarial gains (losses) on defined benefit pension plans	(667)	1,333
Share of other comprehensive income of associates ^(c)	400	(700)
Income tax relating to components of other comprehensive income ^(d)	<u>4,667</u>	<u>(9,334)</u>
Other comprehensive income for the year, net of tax	<u>(14,000)</u>	<u>28,000</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>107,250</u></u>	<u><u>93,500</u></u>

continued...

*...continued***XYZ Group – Statement of comprehensive income for the year ended 31 December 20X7****(illustrating the presentation of comprehensive income in one statement and the classification of expenses within profit by function)**

(in thousands of currency units)

	20X7	20X6
Profit attributable to:		
Owners of the parent	97,000	52,400
Minority interest	24,250	13,100
	<u>121,250</u>	<u>65,500</u>
Total comprehensive income attributable to:		
Owners of the parent	85,800	74,800
Minority interest	21,450	18,700
	<u>107,250</u>	<u>93,500</u>
Earnings per share (in currency units):		
Basic and diluted	<u>0.46</u>	<u>0.30</u>

Alternatively, components of other comprehensive income could be presented in the statement of comprehensive income net of tax:

Other comprehensive income for the year, after tax:

	20X7	20X6
Exchange differences on translating foreign operations	4,000	8,000
Available-for-sale financial assets	(18,000)	20,000
Cash flow hedges	(500)	(3,000)
Gains on property revaluation	600	2,700
Actuarial gains (losses) on defined benefit pension plans	(500)	1,000
Share of other comprehensive income of associates	400	(700)
Other comprehensive income for the year, net of tax^(d)	<u>(14,000)</u>	<u>28,000</u>

- (a) This means the share of associates' profit attributable to owners of the associates, ie it is after tax and minority interests in the associates.
- (b) This illustrates the aggregated presentation, with disclosure of the current year gain or loss and reclassification adjustment presented in the notes. Alternatively, a gross presentation can be used.
- (c) This means the share of associates' other comprehensive income attributable to owners of the associates, ie it is after tax and minority interests in the associates.
- (d) The income tax relating to each component of other comprehensive income is disclosed in the notes.

XYZ Group – Income statement for the year ended 31 December 20X7
(illustrating the presentation of comprehensive income in two statements and
classification of expenses within profit by nature)

(in thousands of currency units)

	20X7	20X6
Revenue	390,000	355,000
Other income	20,667	11,300
Changes in inventories of finished goods and work in progress	(115,100)	(107,900)
Work performed by the entity and capitalised	16,000	15,000
Raw material and consumables used	(96,000)	(92,000)
Employee benefits expense	(45,000)	(43,000)
Depreciation and amortisation expense	(19,000)	(17,000)
Impairment of property, plant and equipment	(4,000)	–
Other expenses	(6,000)	(5,500)
Finance costs	(15,000)	(18,000)
Share of profit of associates ^(e)	35,100	30,100
Profit before tax	<u>161,667</u>	<u>128,000</u>
Income tax expense	(40,417)	(32,000)
Profit for the year from continuing operations	121,250	96,000
Loss for the year from discontinued operations	–	(30,500)
PROFIT FOR THE YEAR	<u>121,250</u>	<u>65,500</u>
Profit attributable to:		
Owners of the parent	97,000	52,400
Minority interest	24,250	13,100
	<u>121,250</u>	<u>65,500</u>
Earnings per share (in currency units):		
Basic and diluted	<u>0.46</u>	<u>0.30</u>

- (e) This means the share of associates' profit attributable to owners of the associates, ie it is after tax and minority interests in the associates.

XYZ Group – Statement of comprehensive income for the year ended 31 December 20X7

(illustrating the presentation of comprehensive income in two statements)

(in thousands of currency units)

	20X7	20X6
Profit for the year	121,250	65,500
Other comprehensive income:		
Exchange differences on translating foreign operations	5,334	10,667
Available-for-sale financial assets	(24,000)	26,667
Cash flow hedges	(667)	(4,000)
Gains on property revaluation	933	3,367
Actuarial gains (losses) on defined benefit pension plans	(667)	1,333
Share of other comprehensive income of associates(f)	400	(700)
Income tax relating to components of other comprehensive income(g)	4,667	(9,334)
Other comprehensive income for the year, net of tax	<u>(14,000)</u>	<u>28,000</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>107,250</u>	<u>93,500</u>
Total comprehensive income attributable to:		
Owners of the parent	85,800	74,800
Minority interest	21,450	18,700
	<u>107,250</u>	<u>93,500</u>

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

- (f) This means the share of associates' other comprehensive income attributable to owners of the associates, ie it is after tax and minority interests in the associates.
- (g) The income tax relating to each component of other comprehensive income is disclosed in the notes.

XYZ Group**Disclosure of components of other comprehensive income^(h)****Notes****Year ended 31 December 20X7**

(in thousands of currency units)

	20X7	20X6
Other comprehensive income:		
Exchange differences on translating foreign operations ⁽ⁱ⁾	5,334	10,667
Available-for-sale financial assets:		
Gains arising during the year	1,333	30,667
Less: Reclassification adjustments for gains included in profit or loss	<u>(25,333)</u>	<u>(4,000)</u>
	(24,000)	26,667
Cash flow hedges:		
Gains (losses) arising during the year	(4,667)	(4,000)
Less: Reclassification adjustments for gains (losses) included in profit or loss	3,333	-
Less: Adjustments for amounts transferred to initial carrying amount of hedged items	<u>667</u>	<u>-</u>
	(667)	(4,000)
Gains on property revaluation	933	3,367
Actuarial gains (losses) on defined benefit pension plans	(667)	1,333
Share of other comprehensive income of associates	<u>400</u>	<u>(700)</u>
Other comprehensive income	(18,667)	37,334
Income tax relating to components of other comprehensive income ^(j)	<u>4,667</u>	<u>(9,334)</u>
Other comprehensive income for the year	<u>(14,000)</u>	<u>28,000</u>

(h) When an entity chooses an aggregated presentation in the statement of comprehensive income, the amounts for reclassification adjustments and current year gain or loss are presented in the notes.

(i) There was no disposal of a foreign operation. Therefore, there is no reclassification adjustment for the years presented.

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

XYZ Group
Disclosure of tax effects relating to each component of other comprehensive income

Notes

Year ended 31 December 20X7

(in thousands of currency units)

	Before-tax amount	20X7 Tax (expense) benefit	Net-of- Tax amount	Before- tax amount	20X6 Tax (expense) benefit	Net-of- tax amount
Exchange differences on translating foreign operations	5,334	(1,334)	4,000	10,667	(2,667)	8,000
Available-for-sale financial assets	(24,000)	6,000	(18,000)	26,667	(6,667)	20,000
Cash flow hedges	(667)	167	(500)	(4,000)	1,000	(3,000)
Gains on property revaluation	933	(333)	600	3,367	(667)	2,700
Actuarial gains (losses) on defined benefit pension plans	(667)	167	(500)	1,333	(333)	1,000
Share of other comprehensive income of associates	400	-	400	(700)	-	(700)
Other comprehensive income	(18,667)	4,667	(14,000)	37,334	(9,334)	28,000

XYZ Group – Statement of changes in equity for the year ended 31 December 20X7
(in thousands of currency units)

	Share capital	Retained earnings	Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges	Revaluation surplus	Total	Minority interest	Total equity
Balance at 1 January 20X6	600,000	118,100	(4,000)	1,600	2,000	-	717,700	29,800	747,500
Changes in accounting policy	-	400	-	-	-	-	400	100	500
Restated balance	600,000	118,500	(4,000)	1,600	2,000	-	718,100	29,900	748,000
Changes in equity for 20X6									
Dividends	-	(10,000)	-	-	-	-	(10,000)	-	(10,000)
Total comprehensive income for the year ⁽⁶⁾	-	53,200	6,400	16,000	(2,400)	1,600	74,800	18,700	93,500
Balance at 31 December 20X6	600,000	161,700	2,400	17,600	(400)	1,600	782,900	48,600	831,500
Changes in equity for 20X7									
Issue of share capital	50,000	-	-	-	-	-	50,000	-	50,000
Dividends	-	(15,000)	-	-	-	-	(15,000)	-	(15,000)
Total comprehensive income for the year ⁽⁶⁾	-	96,600	3,200	(14,400)	(400)	800	85,800	21,450	107,250
Transfer to retained earnings	-	200	-	-	-	(200)	-	-	-
Balance at 31 December 20X7	650,000	243,500	5,600	3,200	(800)	2,200	903,700	70,050	973,750

continued...

...continued

- (k) The amount included in retained earnings for 20X6 of 53,200 represents profit attributable to owners of the parent of 52,400 plus actuarial gains on defined benefit pension plans of 800 (1,333, less tax 333, less minority interest 200).

The amount included in the translation, available-for-sale and cash flow hedge reserves represent other comprehensive income for each component, net of tax and minority interest, eg other comprehensive income related to available-for-sale financial assets for 20X6 of 16,000 is 26,667, less tax 6,667, less minority interest 4,000.

The amount included in the revaluation surplus of 1,600 represents the share of other comprehensive income of associates of (700) plus gains on property revaluation of 2,300 (3,367, less tax 667, less minority interest 400). Other comprehensive income of associates relates solely to gains or losses on property revaluation.

- (l) The amount included in retained earnings for 20X7 of 96,600 represents profit attributable to owners of the parent of 97,000 plus actuarial losses on defined benefit pension plans of 400 (667, less tax 167, less minority interest 100).

The amount included in the translation, available-for-sale and cash flow hedge reserves represent other comprehensive income for each component, net of tax and minority interest, eg other comprehensive income related to the translation of foreign operations for 20X7 of 3,200 is 5,334, less tax 1,334, less minority interest 800.

The amount included in the revaluation surplus of 800 represents the share of other comprehensive income of associates of 400 plus gains on property revaluation of 400 (933, less tax 333, less minority interest 200). Other comprehensive income of associates relates solely to gains or losses on property revaluation.

Part II: Illustrative example of the determination of reclassification adjustments

- IG7 The Standard requires an entity to disclose reclassification adjustments relating to each component of other comprehensive income.
- IG8 This guidance provides an illustration of the calculation of reclassification adjustments for available-for-sale financial assets recognised in accordance with SB-FRS 39.
- IG9 On 31 December 20X5, XYZ Group purchased 1,000 shares (equity instruments) at 10 currency units (CU) per share, classified as available for sale. The fair value of the instruments at 31 December 20X6 was CU12; at 31 December 20X7 the fair value had increased to CU15. All of the instruments were sold on 31 December 20X7; no dividends were declared on those instruments during the time that they were held by XYZ Group. The applicable tax rate in accordance with SB-FRS 12 *Income Taxes* is 30 per cent.

Calculation of gains

(in currency units)

	Before tax	Income tax	Net of tax
Gains recognised in other comprehensive income:			
Year ended 31 December 20X6	2,000	(600)	1,400
Year ended 31 December 20X7	<u>3,000</u>	<u>(900)</u>	<u>2,100</u>
Total gain	<u><u>5,000</u></u>	<u><u>(1,500)</u></u>	<u><u>3,500</u></u>

Amounts reported in profit or loss and other comprehensive income for the years ended 31 December 20X6 and 31 December 20X7

	20X7	20X6
Profit or loss:		
Gain on sale of instruments	5,000	
Income tax expense	(1,500)	
Net gain recognised in profit or loss	<u>3,500</u>	
Other comprehensive income:		
Gain arising during the year, net of tax	2,100	1,400
Reclassification adjustment, net of tax	(3,500)	-
Net gain (loss) recognised in other comprehensive income	<u>(1,400)</u>	<u>1,400</u>
	<u>2,100</u>	<u>1,400</u>

Alternatively, components of other comprehensive income may be shown gross of tax with a separate line item for tax effects:

	20X7	20X6
Profit or loss:		
Gain on sale of instruments	5,000	
Income tax expense	(1,500)	
Net gain recognised in profit or loss	<u>3,500</u>	
Other comprehensive income:		
Gain arising during the year	3,000	2,000
Reclassification adjustment	(5,000)	-
Income tax relating to other comprehensive income	600	(600)
Net gain (loss) recognised in other comprehensive income	<u>(1,400)</u>	<u>1,400</u>
	<u>2,100</u>	<u>1,400</u>

Part III: Illustrative examples of capital disclosures (paragraphs 134–136)

An entity that is not a regulated financial institution

- IG10 The following example illustrates the application of paragraphs 134 and 135 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 134 and 135.

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:

- o 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
- o 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, minority interest, retained earnings, and revaluation reserve) other than amounts accumulated in equity relating to cash flow hedges, and includes some forms of subordinated debt.

continued...

...continued

During 20X4, the Group's strategy, which was unchanged from 20X3, 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 20X4 and at 31 December 20X3 were as follows:

	31 Dec 20X4 CU million	31 Dec 20X3 CU million
Total debt	1,000	1,100
Less: cash and cash equivalents	(90)	(150)
Net debt	<u>910</u>	<u>950</u>
Total equity	110	105
Add: subordinated debt instruments	38	38
Less: amounts accumulated in equity relating to cash flow hedges	(10)	(5)
Adjusted capital	<u><u>138</u></u>	<u><u>138</u></u>
Debt-to-adjusted capital ratio	6.6	6.9

The decrease in the debt-to-adjusted capital ratio during 20X4 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 20X4 (from CU2.5 million for 20X3).

An entity that has not complied with externally imposed capital requirements

- IG11 The following example illustrates the application of paragraph 135(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 134 and 135.

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 20X7, Entity A did not comply with the capital requirements imposed by Regulator B. In its financial statements for the year ended 31 December 20X7, Entity A provides the following disclosure relating to its non-compliance.

Example disclosure

Entity A filed its quarterly regulatory capital return for 30 September 20X7 on 20 October 20X7. 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 20X7. In the fourth quarter of 20X7, Entity A sold its fixed interest investment portfolio for CU12.6 million and met its regulatory capital requirement.

Appendix

Amendments to guidance on other SB-FRSs

The following amendments to guidance on other SB-FRSs are necessary in order to ensure consistency with the revised SB-FRS 1. In the amended paragraphs, new text is underlined and deleted text is struck through.

- IGA1 In the guidance on Statutory Board Financial Reporting Standards, the following references are amended as described below, unless otherwise stated in this appendix.
- o 'on the face of' is amended to 'in'.
 - o 'income statement' is amended to 'statement of comprehensive income'.
 - o 'balance sheet' is amended to 'statement of financial position'.
 - o 'cash flow statement' is amended to 'statement of cash flows'.
 - o 'balance sheet date' is amended to 'end of the reporting period'.
 - o 'subsequent balance sheet date' is amended to 'end of the subsequent reporting period'.
 - o 'each balance sheet date' is amended to 'the end of each reporting period'.
 - o 'after the balance sheet date' is amended to 'after the reporting period'.
 - o 'reporting date' is amended to 'end of the reporting period'.
 - o 'each reporting date' is amended to 'the end of each reporting period'.
 - o 'at annual reporting dates' is amended to 'at the end of annual reporting periods'.
 - o 'at interim reporting dates' is amended to 'at the end of interim reporting periods'.
 - o 'equity holders' is amended to 'owners'. (except in SB-FRS 33 *Earnings per Share*)
 - o 'removed from equity and recognised in profit or loss' and 'removed from equity and included in profit or loss' are amended to 'reclassified from equity to profit or loss as a reclassification adjustment'.
 - o 'Standard or Interpretation' is amended to 'SB-FRS'.
 - o 'a Standard or an Interpretation' is amended to 'an SB-FRS'.
 - o 'Standards and Interpretations' is amended to 'SB-FRSs'.

SB-FRS 101 *First-time Adoption of Financial Reporting Standards*

- IGA2 The Guidance on Implementing SB-FRS 101 is amended as described below.

In IG Examples 1–4, 201 and 202, 'Entity [X]'s [An entity's] first SB-FRS financial statements have a reporting date of' is amended to 'Entity [X]'s [An entity's] first SB-FRS financial statements are for a period that ends on'.

In IG Examples 1–4, 6–11 and 201, references to the years '2001' to '2007' are amended to '20X1' to '20X7' respectively.

In the heading above paragraph IG2 and in IG Example 1 (Assumption 2), 'SB-FRS 10 *Events after the Balance Sheet Date*' is amended to 'SB-FRS 10 *Events after the Reporting Period*'.

In paragraph IG2(b), 'balance sheet' is deleted.

In paragraph IG21, 'the reporting date' is amended to 'the end of the first SB-FRS reporting period'.

In paragraph IG31, 'post-balance sheet events review' is amended to 'review of events after the reporting period'.

In paragraph IG36, 'reporting date for its first SB-FRS financial statements' is amended to 'end of its first SB-FRS reporting period'.

IG Example 10 is amended as follows:

IG Example 10 Interim financial reporting

Background

Entity R's first SB-FRS financial statements ~~have~~ are for a reporting date of period that ends on 31 December 20X5 2005, and its first interim financial report under SB-FRS 34 is for the quarter ended 31 March 20X5 2005. Entity R prepared previous GAAP annual financial statements for the year ended 31 December 20X4 2004, and prepared quarterly reports throughout 20X4 2004.

Application of requirements

In each quarterly interim financial report for 20X5 2005, entity R includes reconciliations of:

- (a) its equity under previous GAAP at the end of the comparable quarter of 20X4 2004 to its equity under SB-FRSs at that date; and
- (b) its total comprehensive income (or, if it did not report such a total, profit or loss) under previous GAAP for the comparable quarter of 20X4 2004-(current and year-to-date) to its total comprehensive income ~~profit or loss~~ under SB-FRSs.

In addition to the reconciliations required by (a) and (b) and the disclosures required by SB-FRS 34, entity R's interim financial report for the first quarter of 20X5 2005 includes reconciliations of (or a cross-reference to another published document that includes these reconciliations):

- (a) its equity under previous GAAP at 1 January 20X4 2004 and 31 December 20X4 2004 to its equity under SB-FRSs at those dates; and
- (b) its total comprehensive income (or, if it did not report such a total, profit or loss) for 20X4 2004 under previous GAAP to its ~~profit or loss~~ total comprehensive income for 20X4 2004 under SB-FRSs. ...

In paragraph IG43, 'the income statement' is amended to 'profit or loss'.

Paragraphs IG52, IG59 and IG60B are amended as follows:

- IG52 An entity recognises and measures all financial assets and financial liabilities in its opening SB-FRS ~~balance sheet~~ statement of financial position in accordance with SB-FRS 39, except as specified in paragraphs 27– 30 of the SB-FRS, which address derecognition and hedge accounting, ~~and paragraph 36A, which permits an exemption from restating comparative~~

information.

- IG59 An entity may, under its previous GAAP, have measured investments at fair value and recognised the revaluation gain ~~directly in equity~~ outside profit or loss. If an investment is classified as at fair value through profit or loss, the pre-SB-FRS 39 revaluation gain that had been recognised ~~in equity outside profit or loss~~ is reclassified into retained earnings on initial application of SB-FRS 39. If, on initial application of SB-FRS 39, an investment is classified as available for sale, then the pre-SB-FRS 39 revaluation gain is recognised in a separate component of equity. Subsequently, the entity recognises gains and losses on the available-for-sale financial asset in other comprehensive income and accumulates the cumulative gains and losses in that separate component of equity until the investment is impaired, sold, collected or otherwise disposed of. On subsequent derecognition or impairment of the available-for-sale financial asset, the entity ~~transfers~~ reclassifies to profit or loss the cumulative gain or loss remaining in equity (SB-FRS 39, paragraph 55(b)).
- IG60B An entity ... Any net cumulative gain or loss that has been reclassified to equity on initial application of SB-FRS 39 remains in equity until (a) the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, (b) the forecast transaction affects profit or loss or (c) subsequently circumstances change and the forecast transaction is no longer expected to occur, in which case any related net cumulative gain or loss ~~that had been recognised directly in equity is recognised in~~ is reclassified from equity to profit or loss. If ...

Paragraph IG63 and IG Example 11 are amended as follows:

- IG63 Paragraphs 39(a) and (b), 40 and 41 of the SB-FRS require a first-time adopter to disclose reconciliations that give sufficient detail to enable users to understand the material adjustments to the ~~balance sheet, income statement~~ of financial position, statement of comprehensive income and, if applicable, ~~each flow~~ statement of cash flows. Paragraph 39(a) and (b) requires specific reconciliations of equity and ~~profit or loss total comprehensive income~~. IG Example 11 shows one way of satisfying these requirements.

IG Example 11 Reconciliation of equity and profit or loss total comprehensive income				
...				
Reconciliation of profit or loss total comprehensive income for 2004 20X4				
Note		<i>Previous GAAP</i>	<i>Effect of transition to SB-FRSs</i>	<i>SB-FRSs</i>
	Revenue	20,910	0	20,910
1,2,3	Cost of sales	(15,283)	(97)	(15,380)
	Gross profit	5,627	(97)	5,530
1	Distribution costs	(1,907)	(30)	(1,937)
1,4	Administrative expenses	(2,842)	(300)	(3,142)
	Finance income	1,446	0	1,446
	Finance costs	(1,902)	0	(1,902)
				<i>continued...</i>

<i>...continued</i>				
	Profit before tax	422	(427)	(5)
5	Tax expense	<u>(158)</u>	<u>128</u>	<u>(30)</u>
	Profit (loss) for the year	264	(299)	(35)
6	<u>Available-for-sale financial assets</u>	<u>0</u>	<u>150</u>	<u>150</u>
7	<u>Cash flow hedges</u>	<u>0</u>	<u>(40)</u>	<u>(40)</u>
8	<u>Tax relating to other comprehensive income</u>	<u>0</u>	<u>(29)</u>	<u>(29)</u>
	Other comprehensive income	<u>0</u>	<u>81</u>	<u>81</u>
	Total comprehensive income	<u>264</u>	<u>(218)</u>	<u>46</u>

Notes to the reconciliation of profit or loss total comprehensive income for 2004 20X4:

...

6 Available-for-sale financial assets carried at fair value under SB-FRSs increased in value by 180 during 20X4. They were carried at cost under previous GAAP. The entity sold available-for-sale financial assets during the year, recognising a gain of 40 in profit or loss. Of that realised gain 30 had been included in the revaluation reserve as at 1 January 20X4 and is reclassified from revaluation reserve to profit or loss (as a reclassification adjustment).

7 The fair value of forward foreign exchange contracts that are effective hedges of forecast transactions decreased by 40 during 20X4.

8 Adjustments 6 and 7 above lead to an increase of 29 in deferred tax expense.

...

In IG Example 202, references to '1995' are amended to '20X5' and references to the years '2000' to '2007' are amended to '20Y0' to '20Y7' respectively.

SB-FRS 102 *Share-based Payment*

- IGA3 In the Guidance on Implementing SB-FRS 102, in the last paragraph of IG Example 11, 'of users taken' is amended to 'that users make'.

SB-FRS 104 *Insurance Contracts*

- IGA4 The Guidance on Implementing SB-FRS 104 is amended as described below.

IG Example 4 is amended as follows:

IG Example 4: Shadow accounting

Background

[Third paragraph] ... Before adopting SB-FRSs for the first time in ~~20X5~~ 2005, insurer A measured financial assets on a cost basis. ... Thus, insurer A measures the assets at fair value and recognises changes in their fair value ~~directly in equity, through the statement of changes in equity~~ in other comprehensive income. In ~~20X5~~ 2005, insurer A recognises unrealised gains ...

In ~~20X6~~ 2006, insurer A sells the assets for an amount equal to their fair value at the end of ~~20X5~~ 2005 and, to comply with SB-FRS 39, ~~transfers~~ reclassifies the now-realised gain of CU10 from equity to profit or loss as a reclassification adjustment.

Application of paragraph 30 of the SB-FRS

[First paragraph] ... If insurer A adopts shadow accounting, it amortises DAC in ~~20X5~~ 2005 by an additional CU2 ... Because insurer A recognised the change in their fair value ~~in equity~~ in other comprehensive income, it recognises the additional amortisation of CU2 ~~directly in equity, through the statement of changes in equity~~ in other comprehensive income.

When insurer A sells the assets in ~~20X6~~ 2006, it makes no further adjustment to DAC, but ~~transfers~~ reclassifies DAC amortisation of CU2, relating to the now-realised gain, from equity to profit or loss as a reclassification adjustment.

In summary, shadow accounting treats an unrealised gain in the same way as a realised gain, except that the unrealised gain and resulting DAC amortisation are (a) recognised ~~in equity~~ in other comprehensive income rather than in profit or loss and (b) ~~transferred~~ reclassified from equity to profit or loss when the gain on the asset becomes realised. ...

In paragraph IG15, in the quotation from SB-FRS 1, 'of users taken' is amended to 'that users make'.

In paragraph IG24, 'disclose' is amended to 'present'.

Paragraph IG27 is amended as follows:

- IG27 Some insurers present a detailed analysis of the sources of their earnings from insurance activities either in the ~~income statement~~ of comprehensive income or ~~in the notes as a complement to an income statement presented in a more traditional format~~. Such ...

Paragraph IG32(h) is amended as follows:

- IG32 (h) the nature and extent of uncertainties affecting specific assumptions. In

addition, to comply with paragraphs ~~116–122~~ 125–131 of SB-FRS 1, ... Paragraph ~~120~~ 129 of SB-FRS 1 gives further guidance on this disclosure.

In paragraph IG46, 'on the balance sheet' is amended to 'in the statement of financial position'.

SB-FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*

IGA5 The Guidance on Implementing SB-FRS 105 is amended as described below.

In Example 11, the title is amended as follows:

'XYZ GROUP – ~~INCOME STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 20X2~~ (illustrating the classification of expenses by function)'

Example 11 is footnoted as follows:

'(b) The entity did not recognise any components of other comprehensive income in the periods presented.'

In Example 12, in footnote (a) and in the statement of financial position, 'directly in equity' is amended to 'in other comprehensive income and accumulated in equity'.

SB-FRS 107 *Financial Instruments: Disclosures*

IGA6 The Guidance on Implementing SB-FRS 107 is amended as described below.

In paragraph IG3, in the quotation from SB-FRS 1, 'of users taken' is amended to 'that users make'.

Paragraphs IG6 and IG13 are amended as follows:

IG6 Paragraph ~~15~~ 17(c) of SB-FRS 1 requires an entity ...

IG13 The total interest income and total interest expense disclosed in accordance with paragraph 20(b) is a component of the finance costs, which paragraph ~~81~~ 82(b) of SB-FRS 1 requires to be presented separately ~~on the face of~~ in the ~~income statement of comprehensive income~~. The line item ...

In the example in paragraph IG36, 'other components of equity' is amended to 'other comprehensive income' (four times).

In the table after paragraph IG41, footnote (a) is deleted and footnote (b) is amended as follows:

~~(b)~~(a) See paragraph 44 of SB-FRS 107'

SB-FRS 7 *Statement of Cash Flows*

IGA7 Appendix A accompanying SB-FRS 7 is amended as described below.

The table heading '**Consolidated income statement for the period ended 20X2**' is amended to '**Consolidated statement of comprehensive income for the period ended 20X2**' and footnoted as follows: 'The entity did not recognise any components of other comprehensive income in the period ended 20X2'.

In note C (**Cash and cash equivalents**), 'balance sheet amounts' is amended to 'amounts in

the statement of financial position’.

SB-FRS 12 *Income Taxes*

IGA8 Appendix A accompanying SB-FRS 12 is amended as described below.

In the headings above paragraph 1 of Section A and above paragraph 1 of Section B, ‘**the income statement**’ is amended to ‘**profit or loss**’.

In paragraph 11 of Section A, ‘*paragraph 61*’ is amended to ‘*paragraph 61A*’ and ‘*charged directly to equity*’ is amended to ‘*recognised in other comprehensive income*’.

Paragraph 18 of Section A is amended as follows:

18 Non-monetary assets ... (*notes: (1) the deferred tax is ~~charged in the income statement~~ recognised in profit or loss; and (2) if, in addition to the restatement, the non-monetary assets are also revalued, the deferred tax relating to the revaluation is ~~charged to equity~~ recognised in other comprehensive income and the deferred tax relating to the restatement is ~~charged~~ recognised in the income statement profit or loss).*

Appendix B accompanying SB-FRS 12 is amended as described below.

In the rubric below the heading, ‘*income statements and balance sheets*’ is replaced by ‘*statements of financial position and statements of comprehensive income*’.

In the last paragraph and table in Example 1, ‘income statement is as follows’ is amended to ‘statement of comprehensive income includes the following’ and ‘Net profit for the period’ is amended to ‘Profit for the period’.

In the section of Example 2 headed **Illustrative disclosure**, the heading ‘**Aggregate current and deferred tax relating to items charged or credited to equity (paragraph 81(a))**’ is amended to ‘**Income tax relating to the components of other comprehensive income (paragraph 81(ab))**’.

At the end of Example 2, ‘the income statement’ is amended to ‘profit or loss’ (twice).

The last paragraph of Example 3 is amended as follows:

If A expects ... A ~~credits or charges~~ recognises the deferred tax in other comprehensive income ~~to equity~~ to the extent that the deferred tax results from foreign exchange translation differences ~~that which~~ have been recognised in other comprehensive income ~~charged or credited directly to equity~~ (paragraph 61A of the Standard). A discloses separately:

(a) the amount of deferred tax ~~that which~~ has been recognised in other comprehensive income ~~charged or credited directly to equity~~ (paragraph 81(ab) of the Standard); and ...

The last paragraph of Example 4 is amended as follows:

Subsequent changes in the deferred tax liability are recognised in ~~the income statement~~ profit or loss as tax income (see paragraph 23 of the Standard). Therefore, the entity’s ~~income statement is as follows~~ profit or loss includes the following:

SB-FRS 19 *Employee Benefits*

IGA9 Appendices B and C accompanying SB-FRS 19 are amended as described below.

In the last paragraph of Appendix B and in the second paragraph of Appendix C, 'the income statement' is amended to 'profit or loss'.

SB-FRS 32 *Financial Instruments: Presentation*

IGA10 The Illustrative Examples accompanying SB-FRS 32 are amended as described below.

In paragraphs IE32 and IE33, 'an income statement and balance sheet format' is amended to 'a format of a statement of comprehensive income and statement of financial position'.

In the statement of financial position following paragraph IE33, '**RESERVES**' is amended to '**OTHER COMPONENTS OF EQUITY**'.

In paragraph IE45, 'income statement' is amended to 'profit or loss'.

SB-FRS 33 *Earnings per Share*

IGA11 In the Illustrative Examples accompanying SB-FRS 33, Example 12 is amended as follows:

The heading '**Example 12 Calculation of basic and diluted earnings per share and income statement presentation (comprehensive example)**' is amended to '**Example 12 Calculation and presentation of basic and diluted earnings per share (comprehensive example)**'.

In the paragraph following the first table under **Full Year 20X1**, 'on its income statement' is amended to 'in its statement of comprehensive income'.

SB-FRS 34 *Interim Financial Reporting*

IGA12 Appendix B accompanying SB-FRS 34 is amended as described below.

In paragraph B3, 'the income statement' is amended to 'profit or loss'.

In paragraph B10, 'at interim financial reporting dates' is amended to 'at the end of interim financial reporting periods', 'at an interim reporting date' is amended to 'at the end of an interim reporting period' and 'at an annual reporting date' is amended to 'at the end of an annual reporting period'.

In paragraph B11, 'at an interim financial reporting date' is amended to 'at the end of an interim financial reporting period'.

In paragraph B25, 'any financial reporting date' is amended to 'the end of any financial reporting period'.

In paragraph B30, 'in profit or loss or in equity' is amended to 'in profit or loss or in other comprehensive income'.

SB-FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*

IGA12A In Appendix C, Example 6:

**'At the balance sheet date of 31 December 1999' is replaced by
'At 31 December 1999, the end of the reporting period'**

**'At the balance sheet date of 31 December 2000' is replaced by
'At 31 December 2000, the end of the reporting period'.**

SB-FRS 39 *Financial Instruments: Recognition and Measurement*

IGA13 The Illustrative Example accompanying SB-FRS 39 is amended as described below.

In paragraphs IE14, IE18, IE24, IE26, IE28 and IE30, 'income statement' is amended to 'profit or loss'.

References to 'balance sheet line item' are amended to 'line item in the statement of financial position'.

The Guidance on Implementing SB-FRS 39 is amended as described below.

References to 'deferred in equity', 'reported in equity', 'recognised in equity' and 'recognised directly in equity' are amended to 'recognised in other comprehensive income'.

In the tables in Questions D.2.1 and D.2.2, 'changes in equity' is amended to 'changes in other comprehensive income'.

In Question E.2.1, 'on its balance sheet' is amended to 'in its statement of financial position'.

Question E.3.1 is amended as follows:

Entity A holds ... On 20 December ~~2000~~ 20X0, the fair value of the shares is CU120 and the cumulative gain recognised in other comprehensive income equity is CU20. ... Under SB-FRS 39.55(b), should Entity A ~~recognise reclassify~~ the cumulative gain of CU20 recognised in equity in other comprehensive income from equity to in profit or loss as a reclassification adjustment?

Yes. The transaction qualifies for derecognition under SB-FRS 39. SB-FRS 39.55(b) requires ~~that~~ the cumulative gain or loss ~~that has been recognised in equity~~ on an available-for-sale financial asset that has been recognised in other comprehensive income to be recognised in reclassified from equity to profit or loss when the asset is derecognised. In the ...

Question E.3.2 is amended as follows:

For an available-for-sale monetary financial asset, the entity ~~reports~~ recognises changes in the carrying amount relating to changes in foreign exchange rates in profit or loss in accordance with SB-FRS 21.23(a) and SB-FRS 21.28 and other changes in the carrying amount in other comprehensive income in equity in accordance with SB-FRS 39. How is the cumulative gain or loss that is recognised in equity in other comprehensive income determined?

...

To illustrate: on 31 December 20X1 ~~2001~~ Entity A acquires a bond ... Entity A classifies the bond as available for sale, and thus recognises gains and losses ~~in equity~~ in other comprehensive income. The entity's ...

On 31 December 20X2 ~~2002~~, the foreign currency has appreciated ... In this case, the cumulative gain or loss to be recognised in other comprehensive income and accumulated in equity ~~directly in equity~~ is the difference between the fair value and the amortised cost on 31 December 20X2 ~~2002~~, ie LC38 (= LC2,120 – LC2,082).

Interest received on the bond on 31 December 20X2 ~~2002~~ is FC59 (= LC118). Interest ...

Cr	Fair value change in equity <u>other comprehensive income</u>	LC38
----	---	------

On 31 December ~~20X3~~ 2003, the foreign currency has appreciated further ... The cumulative gain or loss to be ~~recognised directly~~ accumulated in equity is the difference between the fair value and the amortised cost on 31 December ~~20X3~~ 2003, ie negative LC40 (= LC2,675 - LC2,715). Thus, ~~there is a debit to the amount recognised in other comprehensive income~~ equity equals to the change in the difference during ~~20X3~~ 2003 of LC78 (= LC40 + LC38).

Interest received on the bond on 31 December ~~20X3~~ 2003 is FC59 (= LC148).
Interest ...

Dr	Fair value change in <u>other comprehensive income</u> equity	LC78
----	--	------

Question E.3.3 is amended as follows:

- o the heading '**E.3.3 SB-FRS 39 and SB-FRS 21 Exchange differences arising on translation of foreign entities: equity or income?**' is amended to '**E.3.3 SB-FRS 39 and SB-FRS 21 Exchange differences arising on translation of foreign entities: other comprehensive income or profit or loss?**'.
- o (in the fourth paragraph of the answer) 'its income statement' is amended to 'its profit or loss'.
- o (in the last paragraph of the answer) 'classified as equity' is amended to 'accumulated in equity'.

In Question E.3.4 the answer is amended as follows:

- o '*Income statement*' is amended to '*Profit or loss*'.
- o 'in profit or loss or in equity' is amended to 'in profit or loss or in other comprehensive income'.
- o 'recognises gains and losses on available-for-sale monetary financial assets in equity' is amended to 'recognises gains and losses on available-for-sale monetary financial assets in other comprehensive income'.
- o 'resulting in a loss in equity' is amended to 'resulting in a loss recognised in other comprehensive income'.

Question E.4.9 is amended as follows:

- o '**be recognised in profit or loss**' is amended to '**be reclassified from equity to profit or loss as a reclassification adjustment**'.
- o 'removed from equity and recognised in profit or loss' is amended to 'reclassified from equity to profit or loss'.
- o 'also recognised in profit or loss' is amended to 'also reclassified from equity to profit or loss'.

In Question F.1.2, in the answer to the second question, 'future sale is recognised in profit or loss' is amended to 'future sale is reclassified from equity to profit or loss as a reclassification adjustment'.

In Question F.1.5 the answer is amended as follows:

No. An internal contract designated at the subsidiary level or by a division as a hedge results in the recognition of changes in the fair value of the item being hedged

in profit or loss (a fair value hedge) or in the recognition of the changes in the fair value of the internal derivative ~~in equity~~ in other comprehensive income (a cash flow hedge). There is no basis for changing the measurement attribute of the item being hedged in a fair value hedge unless the exposure is offset with an external derivative. There is also no basis for ~~including~~ recognising the gain or loss on the internal derivative in ~~equity~~ in other comprehensive income for one entity and recognising it in profit or loss by the other entity unless it is offset with an external derivative. In cases ... It should be noted, however, that there will be no effect on profit or loss and ~~equity~~ other comprehensive income of reversing ... Just as the internal derivatives offset at the treasury level, their use as fair value hedges by two separate entities or divisions within the consolidated group will also result in the offset of the fair value amounts recognised in profit or loss, and their use as cash flow hedges by two separate entities or divisions within the consolidated group will also result in the fair value amounts being offset against each other in other comprehensive income ~~equity~~. However, there may be an effect on individual line items in both the consolidated ~~income~~ statement of comprehensive income and the consolidated ~~balance sheet~~ statement of financial position, for example when internal derivatives that hedge assets (or liabilities) in a fair value hedge are offset by internal derivatives that are used as a fair value hedge of other assets (or liabilities) that are recognised in a different line item in the statement of financial position ~~balance sheet~~ or statement of comprehensive income ~~statement line item~~. In addition, to the extent that one of the internal contracts is used as a cash flow hedge and the other is used in a fair value hedge, ~~the effect on profit or loss and equity~~ gains and losses recognised would not offset since the gain (or loss) on the internal derivative used as a fair value hedge would be recognised in profit or loss and the corresponding loss (or gain) on the internal derivative used as a cash flow hedge would be recognised in ~~equity~~ other comprehensive income.

In Question F.1.6 the second paragraph of the answer is amended as follows:

- o 'profit or loss or [in] equity' is amended to 'profit or loss or other comprehensive income'.
- o 'gains and losses that are initially recognised in equity are recognised in profit or loss' is amended to 'gains and losses that are initially recognised in other comprehensive income are reclassified from equity to profit or loss'.
- o 'profit or loss and equity' is amended to 'profit or loss and other comprehensive income'.

Question F.1.7 is amended as described below.

The following references are amended as described below.

- o '*Dr Equity*' is amended to '*Dr Other comprehensive income*'.
- o '*Cr Equity*' is amended to '*Cr Other comprehensive income*'.
- o 'Income' is amended to 'Profit or loss'.
- o 'Equity' is amended to 'Other comprehensive income'.

In *Case 1*, 'the income statements' is amended to 'profit or loss'.

Case 2 is amended as follows:

...

A and B complete the necessary documentation, the hedges are effective, and both A

and B qualify for hedge accounting in their individual financial statements. A ~~defers~~ recognises the gain of LC20 on its internal derivative transaction in ~~a hedging reserve in equity~~ other comprehensive income and B ~~defers~~ recognises the loss of LC50 in its ~~hedging reserve in equity~~ other comprehensive income. TC does ...

Case 3 is amended as follows:

...

As in cases 1 and 2, A and B apply hedge accounting for their cash flow hedges and TC measures its derivatives at fair value. A ~~defers~~ recognises a gain of LC20 on its internal derivative transaction ~~in equity~~ in other comprehensive income and B ~~defers~~ recognises a loss of LC50 on its internal derivative transaction ~~in equity~~ in other comprehensive income. ...

In Questions F.1.7 Case 3 and Case 4, F.5.2, F.5.3 and F.5.6, 'Cr Equity' and 'Dr Equity' are amended to 'Cr Other comprehensive income' and 'Dr Other comprehensive income' respectively.

In the answer to Question F.1.10, 'reports changes in the fair value of the share in equity' is amended to 'recognises changes in the fair value of the share in other comprehensive income'.

In the answers to Questions F.2.4 and F.6.5, 'recognised directly in equity through the statement of changes in equity' is amended to 'recognised in other comprehensive income'.

In Question F.3.3, '**the income statement**' is amended to '**profit or loss**'.

In Question F.3.4, 'amount recognised directly in equity is transferred to profit or loss' is amended to 'amount recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment'.

In Question F.5.2, 'it credits the effective portion of the change in fair value of the swap, ie the net change in fair value of CU49, to equity' is amended to 'it recognises the effective portion of the change in fair value of the swap, ie the net change in fair value of CU49, in other comprehensive income'.

In Question F.5.3, '2001' is amended to '20X1', '2002' is amended to '20X2' and 'it debits the entire change in fair value of the forward contract (CU80) to equity' is amended to 'it recognises the entire change in fair value of the forward contract (CU80) in other comprehensive income'.

In Question F.5.6, references to the years '2001' and '2002' are amended to '20X1' and '20X2' respectively and 'directly in equity' is amended to 'in other comprehensive income' (six times).

Question F.6.2 is amended as described below.

The section '*Systems considerations*' of Issue (b) is amended as follows:

- o 'the adjustments to equity from changes in the fair value of a hedging instrument should be recognised in profit or loss' is amended to 'the cumulative gains and losses recognised in other comprehensive income from changes in the fair value of a hedging instrument should be reclassified to profit or loss'.
- o 'should be recognised in profit or loss' is amended to 'should be reclassified from equity to profit or loss'.

In Issue (f), 'recognised initially in equity are reclassified out of equity and recognised in profit or loss' is amended to 'recognised initially in other comprehensive income are reclassified

from equity to profit or loss’.

Issue (g) is amended as follows:

- o ‘should be recognised in profit or loss’ is amended to ‘should be reclassified from equity to profit or loss’.
- o ‘are recognised in profit or loss’ is amended to ‘are reclassified from equity to profit or loss’.

In Issue (h), ‘net cumulative gain or loss is recognised in profit or loss’ is amended to ‘net cumulative gain or loss is reclassified from equity to profit or loss’.

Issue (j) is amended as follows:

- o ‘are reclassified into profit or loss’ is amended to ‘are reclassified from equity to profit or loss’.
- o ‘shall reclassify immediately into profit or loss’ is amended to ‘shall reclassify immediately from equity to profit or loss’.

In Question F.6.3, the section ‘*Systems considerations*’ in ‘**Designation objectives**’ is amended as follows:

- o (in the second paragraph) ‘track of deferred derivative gains and losses in equity’ is amended to ‘track of gains and losses recognised in other comprehensive income’.
- o (in the second paragraph, twice) ‘be recognised in profit or loss’ is amended to ‘be reclassified from equity to profit or loss’.
- o (in the second and third paragraphs) ‘be reclassified out of equity’ is amended to ‘be reclassified from equity to profit or loss’.

In Question F.6.4, ‘amounts recognised in equity are released to profit or loss’ is amended to ‘amounts recognised in other comprehensive income are reclassified from equity to profit or loss’.

SB-FRS 41 Agriculture

IGA14 In the Appendix accompanying SB-FRS 41 the rubric above paragraph A1 is amended as follows.

‘This appendix, accompanies, but is not part of, SB-FRS 41. It has been updated to take account of the changes made by SB-FRS 1 Presentation of Financial Statements (as revised in 2008).’

Example 1 in the appendix is amended as described below.

In the ‘**Statement of financial position**’ and in the ‘**Statement of changes in equity**’, the reference to ‘Accumulated profits’ is amended to ‘Retained earnings’.

The following footnote to the ‘**Statement of changes in equity**’ is deleted:

‘This is one of several formats for the statement of changes in equity permitted by SB-FRS 1.’

In the second footnote, ‘SB-FRS 7 *Cash Flow Statements*’ is amended to ‘SB-FRS 7 *Statement of Cash Flows*’.

INT SB-FRS 107 *Applying the Restatement Approach under SB-FRS 29* Financial Reporting in Hyperinflationary Economies

IGA15 In the Illustrative Example accompanying INT SB-FRS 107, in the quotation from SB-FRS 29 in paragraph IE6, 'income statement items' is amended to 'income and expense items'.

INT SB-FRS 112 *Service Concession Arrangements*

IGA16 The Illustrative Examples accompanying INT SB-FRS 112 are amended as described below.

In paragraphs IE4, IE6, IE17, IE20, IE33 and IE36, '[the] income statement' is amended to 'profit or loss'.

In paragraphs IE20 and IE36, 'The income statement charge each period is' is amended to 'The charge recognised each period in profit or loss is'.

In tables 2.3 and 3.6, 'income statement' is amended to 'profit or loss'.

INT SB-FRS 14 *SB-FRS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

IGA17 The illustrative examples accompanying INT SB-FRS 14 are amended as described below.

In paragraph IE7, 'balance sheet liability of 180' is amended to 'liability of 180 in the statement of financial position'.

In the tables below paragraphs IE7 and IE20, 'Net balance sheet liability' is amended to 'Net liability recognised in the statement of financial position'.

In paragraphs IE8 and IE21, 'balance sheet asset' is amended to 'asset recognised in the statement of financial position'.

In paragraph IE20, 'balance sheet liability of 244' is amended to 'liability of 244 in the statement of financial position'.

Table of Concordance

This table shows how the contents of SB-FRS 1 (revised 2006 and amended in 2007) and SB-FRS 1 (revised 2008) correspond. Paragraphs are treated as corresponding if they broadly address the same matter even though the guidance may differ.

Superseded SB-FRS 1 paragraph	SB-FRS 1 (revised 2008) paragraph	Superseded SB-FRS 1 paragraph	SB-FRS 1 (revised 2008) paragraph	Superseded SB-FRS 1 paragraph	SB-FRS 1 (revised 2008) paragraph
1	1, 3	42, 43	47, 48	101	None
2	2	44-48	49-53	102	111
3	4,7	49, 50	36, 37	103-107	112-116
4	None	51-67	60-76	108-115	117-124
5	5	68	54	116-124	125-133
6	6	68A	54	124A-124C	134-136
7	9	69-73	55-59	125, 126	137, 138
8	10	74-77	77-80	127	139
9, 10	13, 14	None	81	127A	None
11	7	78	88	127B	None
12	7	79	89	128	140
None	8	80	89	IG1	IG1
None	11, 12	81	82	None	IG2
13-22	15-24	82	83	IG2	IG3
23, 24	25, 26	None	84	None	IG4
25, 26	27, 28	83-85	85-87	IG3, IG4	IG5, IG6
27, 28	45, 46	None	90-96	None	IG7
29-31	29-31	86-94	97-105	None	IG8
32-35	32-35	95	107	None	IG9
36	38	None	108	IG5, IG6	IG10, IG11
None	39	96, 97	106, 107		
37-41	40-44	98	109		