Appendix D
Amendments to other Australian Accounting Standards

This appendix sets out the amendments to other Australian Accounting Standards.

Amendments are made to the latest principal version of a Standard (or an Interpretation) as subsequently amended, unless otherwise indicated.

The amendments set out in this appendix also apply, as far as possible and necessary, to earlier principal versions of the Standards and Interpretations that are identified in this appendix when this Standard is applied prior to 1 January 2027.

This appendix uses underlining, striking out and other typographical material to identify some of the amendments to a Standard or an Interpretation, in order to make the amendments more understandable. However, the amendments made by this appendix do not include that underlining, striking out or other typographical material. Amended paragraphs are shown with deleted text struck through and new text underlined. Ellipses (…) are used to help provide the context within which amendments are made and also to indicate text that is not amended.

AASB 1 *First-time Adoption of Australian Accounting Standards* (July 2015)

Paragraphs 3, 4, 4A, 5, 22, 32, D30 and E2 and Appendix A are amended. Paragraphs 32(za) and 39AI are added. New text is underlined and deleted text is struck through.

Scope

...

3 An entity's first Australian-Accounting-Standards financial statements are the first annual financial statements in which the entity adopts Australian Accounting Standards, by an explicit and unreserved statement in those financial statements of compliance with Australian Accounting Standards. Financial statements in accordance with Australian Accounting Standards are an entity's first Australian-Accounting-Standards financial statements if, for example, the entity:

(a) presented its most recent previous financial statements:

...

(ii) in conformity with Australian Accounting Standards or IFRSs in all respects, except that the financial statements did not contain an explicit and unreserved statement that they complied with Australian Accounting Standards or <u>IFRS Accounting Standards</u>~~IFRSs~~;

(iii) containing an explicit statement of compliance with some, but not all, Australian Accounting Standards or <u>IFRS Accounting Standards</u>~~IFRSs~~;

...

(c) prepared a reporting package in accordance with Australian Accounting Standards or IFRSs for consolidation purposes without preparing a complete set of financial statements as defined in <u>AASB 18 *Presentation and Disclosure in Financial Statements*</u>~~AASB 101 *Presentation of Financial Statements*~~; or

...

4 This Standard applies when an entity first adopts Australian Accounting Standards. It does not apply when, for example, an entity:

(a) stops presenting financial statements in accordance with national requirements, having previously presented them as well as another set of financial statements that contained an explicit and unreserved statement of compliance with Australian Accounting Standards or <u>IFRS Accounting Standards</u>~~IFRSs~~;

(b) presented financial statements in the previous year in accordance with national requirements and those financial statements contained an explicit and unreserved statement of compliance with Australian Accounting Standards or IFRS Accounting Standards~~IFRSs~~; or

(c) presented financial statements in the previous year that contained an explicit and unreserved statement of compliance with Australian Accounting Standards or IFRS Accounting Standards~~IFRSs~~, even if the auditors qualified their audit report on those financial statements.

4A Notwithstanding the requirements in paragraphs 2 and 3, an entity that has applied Australian Accounting Standards or IFRSs in a previous reporting period, but whose most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with Australian Accounting Standards or IFRS Accounting Standards~~IFRSs~~, must either apply this Standard or else apply Australian Accounting Standards retrospectively in accordance with AASB 108 *Basis of Preparation of Financial Statements* ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~ as if the entity had never stopped applying Australian Accounting Standards or IFRSs.

...

5 This Standard does not apply to changes in accounting policies made by an entity that already applies Australian Accounting Standards. Such changes are the subject of:

(a) requirements on changes in accounting policies in AASB 108 ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~; and

...

Presentation and disclosure

...

Comparative information

...

Non-Australian-Accounting-Standards comparative information and historical summaries

22 Some entities present historical summaries of selected data for periods before the first period for which they present full comparative information in accordance with Australian Accounting Standards. This Standard does not require such summaries to comply with the recognition and measurement requirements of Australian Accounting Standards. Furthermore, some entities present comparative information in accordance with previous GAAP as well as the comparative information required by AASB 18~~AASB101~~. In any financial statements containing historical summaries or comparative information in accordance with previous GAAP, an entity shall:

...

Explanation of transition to Australian Accounting Standards

...

Interim financial reports

32 To comply with paragraph 23, if an entity presents an interim financial report in accordance with AASB 134 for part of the period covered by its first Australian-Accounting-Standards financial statements, the entity shall satisfy the requirements of AASB 134, unless stated otherwise, as well as the following requirements ~~in addition to the requirements of AASB 134~~:

(za) An entity shall present each heading it expects to use in applying AASB 18 and the subtotals required by paragraphs 69–74 of that Standard, notwithstanding the requirements in paragraph 10 of AASB 134. An entity shall apply the requirements in paragraph 10 of AASB 134 for headings and subtotals in condensed financial statements after it has issued its first Australian-Accounting-Standards financial statements prepared in accordance with AASB 18.

(a) Each such interim financial report shall, if the entity presented an interim financial report for the comparable interim period ...

...

Effective date

...

39AI AASB 18 issued in June 2024 amended paragraphs 3, 4, 4A, 5, 22, 32, D30 and E2, amended Appendix A and added paragraph 32(za). An entity shall apply those amendments when it applies AASB 18.

...

Appendix A
Defined terms

...

IFRS Accounting Standards ~~**International Financial Reporting Standards (IFRSs)**~~	IFRS Accounting Standards are accounting standards ~~Standards and Interpretations~~ issued by the International Accounting Standards Board ~~(IASB)~~. They comprise: (a) International Financial Reporting Standards; (b) International Accounting Standards; (c) IFRIC Interpretations; and (d) SIC Interpretations.~~[a]~~ IFRS Accounting Standards were previously known as International Financial Reporting Standards, IFRS, IFRSs and IFRS Standards.

~~(a) Definition of IFRSs amended after the name changes introduced by the revised Constitution of the IFRS Foundation in 2010. Interpretations are identified in AASB 1048 *Interpretation of Standards*.~~

...

Appendix D
Exemptions from other Australian Accounting Standards

...

Severe hyperinflation

...

D30 When the functional currency normalisation date falls within a 12-month comparative period, the comparative period may be less than 12 months, provided that a complete set of financial statements (as required by paragraph 10 of AASB 18~~AASB 101~~) is provided for that shorter period.

...

Appendix E
Short-term exemptions from Australian Accounting Standards

Exemption from the requirement to restate comparative information for AASB 9

...

E2 An entity that chooses to present comparative information that does not comply with AASB 7 and the completed version of AASB 9 (issued in 2014) in its first year of transition shall:

...

(d) apply paragraph 6C(c) of AASB 108 ~~17(c) of AASB 101~~ to provide additional disclosures when compliance with the specific requirements in Australian Accounting Standards 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.

AASB 2 *Share-based Payment* (July 2015)

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph 59B. New text is underlined.

4A When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph 63E. New text is underlined.

4B When it issued AASB 18, the AASB changed the title of AASB 108.

IG Example 11 in the Implementation guidance accompanying AASB 2 is amended. New text is underlined and deleted text is struck through.

Guidance on implementing AASB 2 *Share-based Payment*

...

Equity-settled share-based payment transactions

...

IG Example 11

Employee share purchase plan

...

Application of requirements

...

However, in some cases, the expense relating to an ESPP might not be material. AASB 108 *Basis of Preparation of Financial Statements* ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~ states that the accounting policies in Australian Accounting Standards need not be applied when the effect of applying them is immaterial (AASB 108, paragraph 8). AASB 18 *Presentation and Disclosure in Financial Statements* also ~~AASB 101 *Presentation of Financial Statements*~~ states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole (AASB 18, paragraphs B1–B5~~AASB 101, paragraph 7~~). Therefore, in this example, the entity should consider whether the expense of CU256,000 is material.

AASB 3 *Business Combinations* (August 2015)

Paragraphs 50 and B64 are amended. Paragraph 64R is added. New text is underlined and deleted text is struck through.

The acquisition method

...

Measurement period

...

50 After the measurement period ends, the acquirer shall revise the accounting for a business combination only to correct an error in accordance with AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~.

...

Effective date and transition

Effective date

...

64R AASB 18 *Presentation and Disclosure in Financial Statements* issued in June 2024 amended paragraphs 50 and B64. An entity shall apply those amendments when it applies AASB 18.

...

Appendix B
Application guidance

...

Disclosures (application of paragraphs 59 and 61)

B64 To meet the objective in paragraph 59, the acquirer shall disclose the following information for each business combination that occurs during the reporting period:

...

(q) the following information:

...

If disclosure of any of the information required by this subparagraph is impracticable, the acquirer shall disclose that fact and explain why the disclosure is impracticable. This Standard uses the term 'impracticable' with the same meaning as in AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~.

AASB 4 *Insurance Contracts* (August 2015)

Paragraphs 13, 34 and 35J are amended. New text is underlined and deleted text is struck through. These amendments apply only if an entity applies AASB 18 early – to a period for which AASB 4 is applicable to the entity. AASB 4 is fully superseded by AASB 17 for periods beginning on or after 1 July 2026.

Recognition and measurement

Temporary exemption from some other Australian Accounting Standards

13 Paragraphs 10–12 of AASB 108 *Basis of Preparation of Financial Statements* ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~ specify criteria for an entity to use in developing an accounting policy if no Standard applies specifically to an item. However, this Standard exempts an insurer from applying those criteria to its accounting policies for:

…

Discretionary participation features

Discretionary participation features in insurance contracts

34 Some insurance contracts contain a discretionary participation feature as well as a guaranteed element. The issuer of such a contract:

…

(c) may recognise all premiums received as revenue without separating any portion that relates to the equity component. The resulting changes in the guaranteed element and in the portion of the discretionary participation feature classified as a liability shall be recognised in profit or loss. If part or all of the discretionary participation feature is classified in equity, a portion of profit or loss may be attributable to that feature (in the same way that a portion may be attributable to noncontrolling interests). The issuer shall recognise the portion of profit or loss attributable to any equity component of a discretionary participation feature as an allocation of profit or loss, not as expense or income (see ~~AASB 101 Presentation of Financial Statements~~AASB 18 *Presentation and Disclosure in Financial Statements*).

…

Presentation

The overlay approach

…

35J When an entity de-designates a financial asset applying paragraph 35I(a), it shall reclassify from accumulated other comprehensive income to profit or loss as a reclassification adjustment (see ~~AASB 101~~AASB 18) any balance relating to that financial asset.

…

AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* (August 2015)

Paragraphs 2, 3, 5A, 5B, 13, 17, 26A, 28, 33–36A, 38, 39 and 41, and the headings before paragraphs 31 and 38, are amended. Paragraph 31 is not amended but included for ease of reference. Paragraph 44N is added. New text is underlined and deleted text is struck through.

Scope

2 The classification, ~~and~~ presentation and disclosure requirements of this Standard apply to all recognised *non-current assets*[1] and to all *disposal groups* of an entity. The measurement requirements of this Standard apply to all recognised non-current assets and disposal groups (as set out in paragraph 4), except for those assets listed in paragraph 5 which shall continue to be measured in accordance with the Standard noted.

…

3 Assets classified as non-current in accordance with <u>AASB 18 *Presentation and Disclosure in Financial Statements*</u> ~~AASB 101 *Presentation of Financial Statements*~~ shall not be reclassified as *current assets* until they meet the criteria to be classified as held for sale in accordance with this Standard. Assets of a class that an entity would normally regard as non-current that are acquired exclusively with a view to resale shall not be classified as current unless they meet the criteria to be classified as held for sale in accordance with this Standard.

...

5A The classification, presentation<u>,</u> ~~and~~ measurement <u>and disclosure</u> requirements in this Standard applicable to a non-current asset (or disposal group) that is classified as held for sale apply also to a non-current asset (or disposal group) that is classified as held for distribution to owners acting in their capacity as owners (held for distribution to owners).

5B This Standard specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. Disclosures in other Standards do not apply to such assets (or disposal groups) unless those Standards require:

(a) specific disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations; or

(b) disclosures about measurement of assets and liabilities within a disposal group that are not within the scope of the measurement requirement of AASB 5 and such disclosures are not already provided in the other notes to the financial statements.

Additional disclosures about non-current assets (or disposal groups) classified as held for sale or discontinued operations may be necessary to comply with the <u>disclosure</u> ~~general~~ requirements of <u>AASB 18 and the requirements of AASB 108 *Basis of Preparation of Financial Statements*</u>~~AASB 101~~, in particular paragraphs <u>6A and 31A of AASB 108</u> ~~15 and 125 of that Standard~~.

Classification of non-current assets (or disposal groups) as held for sale or as held for distribution to owners

...

Non-current assets that are to be abandoned

13 An entity shall not classify as held for sale a non-current asset (or disposal group) that is to be abandoned. This is because its carrying amount will be recovered principally through continuing use. However, if the disposal group to be abandoned meets the criteria in paragraph 32(a)–(c), the entity shall present <u>or disclose</u> the results and cash flows of the disposal group as discontinued operations in accordance with paragraphs 33 and 34 at the date on which it ceases to be used. Non-current assets (or disposal groups) to be abandoned include non-current assets (or disposal groups) that are to be used to the end of their economic life and non-current assets (or disposal groups) that are to be closed rather than sold.

...

Measurement of non-current assets (or disposal groups) classified as held for sale

Measurement of a non-current asset (or disposal group)

...

17 When the sale is expected to occur beyond one year, the entity shall measure the costs to sell at their present value. Any increase in the present value of the costs to sell that arises from the passage of time shall be <u>classified</u> ~~presented~~ in profit or loss <u>applying the requirements in AASB 18 relating to income and expenses arising from the remeasurement of a non-current asset (or disposal group) classified as held for sale</u>~~as a financing cost~~.

...

Changes to a plan of sale or to a plan of distribution to owners

...

26A If an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution to owners, or directly from being held for distribution to owners to being held for sale, then the change in classification is considered a continuation of the original plan of disposal. The entity:

(a) shall not follow the guidance in paragraphs 27–29 to account for this change. The entity shall apply the classification, presentation, ~~and~~ measurement and disclosure requirements in this Standard that are applicable to the new method of disposal.

...

28 The entity shall include any required adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale or as held for distribution to owners in profit or loss[6] from continuing operations in the period in which the criteria in paragraphs 7–9 or 12A, respectively, are no longer met. Financial statements for the periods since classification as held for sale or as held for distribution to owners shall be amended accordingly if the disposal group or non-current asset that ceases to be classified as held for sale or as held for distribution to owners is a subsidiary, joint operation, joint venture, associate, or a portion of an interest in a joint venture or an associate. The entity shall present that adjustment in the same line item ~~caption~~ in the statement of comprehensive income used to present a gain or loss, if any, recognised in accordance with paragraph 37.

...

Presentation and disclosure

...

Discontinued ~~Presenting discontinued~~ operations

31 A *component of an entity* comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. In other words, a component of an entity will have been a cash-generating unit or a group of cash-generating units while being held for use.

...

33 An entity shall present or disclose:

...

(b) an analysis of the single amount in (a) into:

(i) the revenue, expenses and pre-tax profit or loss of discontinued operations;

(ii) the related income tax expense as required by paragraph 81(h) of AASB 112.

(iii) the 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; and

(iv) the related income tax expense as required by paragraph 81(h) of AASB 112.

The analysis may be presented in the statement of comprehensive income or disclosed in the notes ~~or in the statement of comprehensive income~~. If it is presented in the statement of comprehensive income it shall be classified ~~presented~~ in the discontinued operations category~~a section identified as relating to discontinued operations~~, ie separately from continuing operations. The analysis is not required for disposal groups that are newly acquired subsidiaries that meet the criteria to be classified as held for sale on acquisition (see paragraph 11).

(c) the net cash flows attributable to the operating, investing and financing activities of discontinued operations. This information ~~These disclosures~~ may either be presented in the statement of cash flows or disclosed ~~either~~ in the notes ~~or in the financial statements~~. These disclosures are not required for disposal groups that are newly acquired subsidiaries that meet the criteria to be classified as held for sale on acquisition (see paragraph 11).

(d) the amount of income from continuing operations and from discontinued operations attributable to owners of the parent. This information ~~These disclosures~~ may either be presented in the statement of comprehensive income or disclosed ~~be presented either~~ in the notes ~~or in the statement of comprehensive income~~.

33A If an entity presents the items of profit or loss in a ~~separate~~ statement of profit or loss separate from a statement presenting comprehensive income as described in paragraph 12(b) of AASB 18~~10A of AASB 101~~, a category ~~section~~ identified as relating to discontinued operations is presented in the ~~that~~ statement of profit or loss.

34 An entity shall re-present the presentations and disclosures in paragraph 33 for prior periods presented in the financial statements so that the presentations and disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

35 Adjustments in the current period to amounts previously classified ~~presented~~ in the discontinued operations category ~~discontinued operations~~ that are directly related to the disposal of a discontinued operation in a prior period shall also be classified separately in the discontinued operations category~~discontinued operations~~. The nature and amount of such adjustments shall be disclosed. Examples of circumstances in which these adjustments may arise include the following:

...

36 If an entity ceases to classify a component of an entity as held for sale, the results of operations of the component previously classified ~~presented~~ in the discontinued operations category ~~discontinued operations~~ in accordance with paragraphs 33–35 shall be reclassified and included in income from continuing operations for all periods presented. The amounts for prior periods shall be described as having been re-presented.

36A An entity that is committed to a sale plan involving loss of control of a subsidiary shall present or disclose the information required in paragraphs 33–36 when the subsidiary is a disposal group that meets the definition of a discontinued operation in accordance with paragraph 32.

...

Non-current ~~Presentation of a non-current~~ asset or disposal group classified as held for sale

38 An entity shall present a non-current asset classified as held for sale and the assets of a disposal group classified as held for sale separately from other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale shall be presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount. The major classes of assets and liabilities classified as held for sale shall either be presented separately ~~disclosed either~~ in the statement of financial position or disclosed in the notes, except as permitted by paragraph 39. An entity shall present separately any cumulative income or expense recognised in other comprehensive income relating to a non-current asset (or disposal group) classified as held for sale.

39 If the disposal group is a newly acquired subsidiary that meets the criteria to be classified as held for sale on acquisition (see paragraph 11), presentation or disclosure of the major classes of assets and liabilities is not required.

...

Additional disclosures

41 An entity shall disclose the following information in the notes in the period in which a non-current asset (or disposal group) has been either classified as held for sale or sold:

...

(c) the gain or loss recognised in accordance with paragraphs 20–22 and, if not separately presented in the statement of comprehensive income, the line item ~~caption~~ in the statement of comprehensive income that includes that gain or loss;

...

Effective date

...

44N AASB 18 issued in June 2024 amended paragraphs 2, 3, 5A, 5B, 13, 17, 26A, 28, 33–36A, 38, 39, 41 and 44L, and the headings before paragraphs 31 and 38. An entity shall apply those amendments when it applies AASB 18.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph 44L. New text is underlined.

6A When it issued AASB 18, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

AASB 6 *Exploration for and Evaluation of Mineral Resources* (August 2015)

Paragraph 6 is amended. Paragraph 26B is added. New text is underlined and deleted text is struck through.

Recognition of exploration and evaluation assets

Temporary exemption from AASB 108 paragraphs 11 and 12

6 When developing its accounting policies, an entity recognising exploration and evaluation assets shall apply paragraph 10 of AASB 108 *Basis of Preparation of Financial Statements* ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~ and paragraphs Aus7.1 and Aus7.2 below.

...

Effective date

...

26B AASB 18 *Presentation and Disclosure in Financial Statements* issued in June 2024 amended paragraphs 6 and 26A. An entity shall apply those amendments when it applies AASB 18.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph 26A. New text is underlined.

1 When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

AASB 7 *Financial Instruments: Disclosures* (August 2015)

Paragraphs 3, 8, 20, 21, 24C, 24E, 24F, 24G, B5, B7 and B46 are amended. Paragraphs 19A–19B and their related subheading, and paragraph 44KK are added. New text is underlined and deleted text is struck through.

Scope

3 This Standard shall be applied by all entities to all types of financial instruments, except:

...

(f) instruments that are required to be classified as equity instruments in accordance with paragraphs 16A and 16B or paragraphs 16C and 16D of AASB 132. However, the disclosures required by paragraphs 19A–19B are required for such instruments.

...

Significance of financial instruments for financial position and performance

...

Statement of financial position

Categories of financial assets and financial liabilities

8 The carrying amounts of each of the following categories, as specified in AASB 9, shall either be presented ~~disclosed either~~ in the statement of financial position or disclosed in the notes:

...

Financial instruments classified as equity in accordance with paragraphs16A–16B or paragraphs 16C–16D of AASB 132

19A For puttable financial instruments classified as equity instruments in accordance with paragraphs 16A–16B of AASB 132, an entity shall disclose (to the extent not disclosed elsewhere):

(a) summary quantitative data about the amount classified as equity;

(b) its objectives, policies and processes for managing its obligation to repurchase or redeem the instruments when required to do so by the instrument holders, including any changes from the previous period;

(c) the expected cash outflow on redemption or repurchase of that class of financial instruments; and

(d) information about how the expected cash outflow on redemption or repurchase was determined.

19B If an entity has reclassified any of the following financial instruments between financial liabilities and equity, it shall disclose the amount reclassified into and out of each category (financial liabilities or equity), and the timing and reason for that reclassification:

(a) a puttable financial instrument classified as an equity instrument applying paragraphs 16A–16B of AASB 132; or

(b) an instrument that imposes on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and is classified as an equity instrument applying paragraphs 16C–16D of AASB 132.

Statement of comprehensive income

Items of income, expense, gains or losses

20 An entity shall either present, subject to the presentation requirements in AASB 18 *Presentation and Disclosure in Financial Statements*, ~~disclose~~ the following items of income, expense, gains or losses ~~either~~ in the statement of comprehensive income or disclose them in the notes:

...

Other disclosures

Accounting policies

21 In accordance with paragraph 27A of AASB 108 *Basis of Preparation of Financial Statements*~~117 of AASB 101~~ ~~*Presentation of Financial Statements*~~, an entity discloses material accounting policy information. Information about the measurement basis (or bases) for financial instruments used in preparing the financial statements is expected to be material accounting policy information.

Hedge accounting

...

The effects of hedge accounting on financial position and performance

...

24C An entity shall disclose, in a tabular format, the following amounts separately by risk category for the types of hedges as follows:

...

(b) for cash flow hedges and hedges of a net investment in a foreign operation:

...

(iv) the amount reclassified from the cash flow hedge reserve or the foreign currency translation reserve into profit or loss as a reclassification adjustment (see AASB 18 ~~AASB 101~~) (differentiating between amounts for which hedge accounting had previously been used, but for which the hedged future cash flows are no longer expected to occur, and amounts that have been transferred because the hedged item has affected profit or loss);

(v) the line item in the statement of comprehensive income that includes the reclassification adjustment (see AASB 18~~AASB 101~~); and

...

24E An entity shall provide a reconciliation of each component of equity and an analysis of other comprehensive income in accordance with AASB 18 ~~AASB 101~~ that, taken together:

...

24F An entity shall provide ~~disclose~~ the information required in paragraph 24E separately by risk category. This disaggregation by risk may be disclosed ~~provided~~ in the notes to the financial statements.

Option to designate a credit exposure as measured at fair value through profit or loss

24G If an entity designated a financial instrument, or a proportion of it, as measured at fair value through profit or loss because it uses a credit derivative to manage the credit risk of that financial instrument it shall disclose:

...

(c) on discontinuation of measuring a financial instrument, or a proportion of it, at fair value through profit or loss, that financial instrument's fair value that has become the new carrying amount in accordance with paragraph 6.7.4 of AASB 9 and the related nominal or principal amount (except for providing comparative information in accordance with AASB 18~~AASB 101~~, an entity does not need to continue this disclosure in subsequent periods).

...

Effective date and transition

...

44KK AASB 18 issued in June 2024 amended paragraphs 3, 8, 20, 21, 24C, 24E, 24F, 24G, 44AA, 44FF, 44II, B5, B7 and B46, and added paragraphs 19A–19B and a related subheading. An entity shall apply those amendments when it applies AASB 18.

...

Appendix B
Application guidance

Classes of financial instruments and level of disclosure (paragraph 6)

...

Other disclosure – accounting policies (paragraph 21)

B5 Paragraph 21 requires disclosure of material accounting policy information, which is expected to include information about the measurement basis (or bases) for financial instruments used in preparing the financial statements. For financial instruments, such disclosure may include:

...

Paragraph 27G of AASB 108 *Basis of Preparation of Financial Statements* ~~122 of AASB 101~~ also requires entities to disclose, along with material accounting policy information or other notes, the judgements, 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.

Nature and extent of risks arising from financial instruments (paragraphs 31–42)

...

Quantitative disclosures (paragraph 34)

B7 Paragraph 34(a) requires disclosures of summary quantitative data about an entity's exposure to risks based on the information provided internally to key management personnel of the entity. When an entity uses several methods to manage a risk exposure, the entity shall disclose information using the method or methods that provide the most relevant and reliable information. AASB 108 ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~ discusses relevance and reliability.

...

Derecognition (paragraphs 42C–42H)

...

Offsetting financial assets and financial liabilities (paragraphs 13A–13F)

...

Disclosure of the net amounts presented in the statement of financial position (paragraph 13C(c))

...

B46 The amounts required to be disclosed by paragraph 13C(c) must be reconciled to the individual line item amounts presented in the statement of financial position. For example, if an entity applying the requirements of AASB 18 aggregates or disaggregates amounts presented in ~~determines that the aggregation or disaggregation of~~ individual financial statement line items ~~amounts~~ when the entity provides the amounts required by paragraph 13C(c)~~provides more relevant information~~, it must reconcile those ~~the~~ aggregated or disaggregated amounts ~~disclosed in paragraph 13C(c)~~ back to the individual line item amounts presented in the statement of financial position.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph 44AA. New text is underlined.

1 When it issued AASB 18, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph 44FF. New text is underlined.

2 When it issued AASB 18, the AASB changed the title of AASB 108.

A footnote is added to the end of paragraph 44II. New text is underlined.

3 When it issued AASB 18, the AASB carried over the requirements to disclose material accounting policy information in AASB 101 to AASB 108.

AASB 8 *Operating Segments* (August 2015)

Paragraph 23 is amended and paragraph 36D is added. New text is underlined and deleted text is struck through.

Disclosure

...

Information about profit or loss, assets and liabilities

23 An entity shall report a measure of profit or loss for each reportable segment. An entity shall report a measure of total assets and liabilities for each reportable segment if such amounts are regularly provided to the chief operating decision maker. An entity shall also disclose the following about each reportable segment if the specified amounts are included in the measure of segment profit or loss reviewed by the chief operating decision maker, or are otherwise regularly provided to the chief operating decision maker, even if not included in that measure of segment profit or loss:

...

(f) material items of income and expense disclosed in accordance with paragraph 42 of AASB 18 *Presentation and Disclosure in Financial Statements*~~paragraph 97 of AASB 101 *Presentation of Financial Statements*~~;

...

Transition and effective date

...

36D AASB 18 issued in June 2024 amended paragraph 23. An entity shall apply those amendments when it applies AASB 18.

AASB 9 *Financial Instruments* (December 2014)

Paragraphs 5.6.5, 5.6.7, 5.7.10, 6.5.11, 6.5.12, 6.5.14, 6.5.15, 6.7.2 and B4.1.2A are amended and paragraph 7.1.11 is added. New text is underlined and deleted text is struck through.

Chapter 5 Measurement

...

5.6 Reclassification of financial assets

...

5.6.5 **If an entity reclassifies a financial asset out of the fair value through other comprehensive income measurement category and into the amortised cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognised in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortised cost. This adjustment affects other comprehensive income but does not affect profit or loss and therefore is not a reclassification adjustment (see AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~). The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification. (See paragraph B5.6.1.)**

...

5.6.7 **If an entity reclassifies a financial asset out of the fair value through other comprehensive income measurement category and into the fair value through profit or loss measurement category, the financial asset continues to be measured at fair value. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (see AASB 18~~AASB 101~~) at the reclassification date.**

5.7 Gains and losses

...

Assets measured at fair value through other comprehensive income

5.7.10 **A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A shall be recognised in other comprehensive income, except for impairment gains or losses (see Section 5.5) and foreign exchange gains and losses (see paragraphs B5.7.2–B5.7.2A), until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (see AASB 18~~AASB 101~~). If the financial asset is reclassified out of the fair value through other comprehensive income measurement category, the entity shall account for the cumulative gain or loss that was previously recognised in other comprehensive income in accordance with paragraphs 5.6.5 and 5.6.7. Interest calculated using the effective interest method is recognised in profit or loss.**

...

Chapter 6 Hedge accounting

...

6.5 Accounting for qualifying hedging relationships

...

Cash flow hedges

6.5.11 **As long as a cash flow hedge meets the qualifying criteria in paragraph 6.4.1, the hedging relationship shall be accounted for as follows:**

...

(d) **the amount that has been accumulated in the cash flow hedge reserve in accordance with (a) shall be accounted for as follows:**

(i) **if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the entity shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount**

of the asset or the liability. This is not a reclassification adjustment (see AASB 18~~AASB 101~~) and hence it does not affect other comprehensive income.

(ii) for cash flow hedges other than those covered by (i), that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment (see AASB 18~~AASB 101~~) in the same period or periods during which the hedged expected future cash flows affect profit or loss (for example, in the periods that interest income or interest expense is recognised or when a forecast sale occurs).

(iii) however, if that amount is a loss and an entity expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment (see AASB 18~~AASB 101~~).

6.5.12 When an entity discontinues hedge accounting for a cash flow hedge (see paragraphs 6.5.6 and 6.5.7(b)) it shall account for the amount that has been accumulated in the cash flow hedge reserve in accordance with paragraph 6.5.11(a) as follows:

...

(b) if the hedged future cash flows are no longer expected to occur, that amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment (see AASB 18~~AASB 101~~). A hedged future cash flow that is no longer highly probable to occur may still be expected to occur.

Hedges of a net investment in a foreign operation

...

6.5.14 The cumulative gain or loss on the hedging instrument relating to the effective portion of the hedge that has been accumulated in the foreign currency translation reserve shall be reclassified from equity to profit or loss as a reclassification adjustment (see AASB 18~~AASB 101~~) in accordance with paragraphs 48–49 of AASB 121 on the disposal or partial disposal of the foreign operation.

Accounting for the time value of options

6.5.15 When an entity separates the intrinsic value and time value of an option contract and designates as the hedging instrument only the change in intrinsic value of the option (see paragraph 6.2.4(a)), it shall account for the time value of the option as follows (see paragraphs B6.5.29–B6.5.33):

...

(b) the change in fair value of the time value of an option that hedges a transaction related hedged item shall be recognised in other comprehensive income to the extent that it relates to the hedged item and shall be accumulated in a separate component of equity. The cumulative change in fair value arising from the time value of the option that has been accumulated in a separate component of equity (the 'amount') shall be accounted for as follows:

(i) if the hedged item subsequently results in the recognition of a non-financial asset or a non-financial liability, or a firm commitment for a non-financial asset or a non-financial liability for which fair value hedge accounting is applied, the entity shall remove the amount from the separate component of equity and include it directly in the initial cost or other carrying amount of the asset or the liability. This is not a reclassification adjustment (see AASB 18~~AASB 101~~) and hence does not affect other comprehensive income.

(ii) for hedging relationships other than those covered by (i), the amount shall be reclassified from the separate component of equity to profit or loss as a reclassification adjustment (see AASB 18~~AASB 101~~) in the same period or periods during which the hedged expected future cash flows affect profit or loss (for example, when a forecast sale occurs).

(iii) however, if all or a portion of that amount is not expected to be recovered in one or more future periods, the amount that is not expected to be recovered shall be immediately reclassified into profit or loss as a reclassification adjustment (see AASB 18~~AASB 101~~).

(c) the change in fair value of the time value of an option that hedges a time-period related hedged item shall be recognised in other comprehensive income to the extent that it relates to the hedged item and shall be accumulated in a separate component of equity. The time value at the date of designation of the option as a hedging instrument, to the extent that it relates to the hedged item, shall be amortised on a systematic and rational basis over the period during which the hedge adjustment for the option's intrinsic value could affect profit or loss (or other comprehensive income, if the hedged item is an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income in accordance with paragraph 5.7.5). Hence, in each reporting period, the amortisation amount shall be reclassified from the separate component of equity to profit or loss as a reclassification adjustment (see AASB 18~~AASB 101~~). However, if hedge accounting is discontinued for the hedging relationship that includes the change in intrinsic value of the option as the hedging instrument, the net amount (ie including cumulative amortisation) that has been accumulated in the separate component of equity shall be immediately reclassified into profit or loss as a reclassification adjustment (see AASB 18~~AASB 101~~).

...

6.7 Option to designate a credit exposure as measured at fair value through profit or loss

...

Accounting for credit exposures designated at fair value through profit or loss

6.7.2 If a financial instrument is designated in accordance with paragraph 6.7.1 as measured at fair value through profit or loss after its initial recognition, or was previously not recognised, the difference at the time of designation between the carrying amount, if any, and the fair value shall immediately be recognised in profit or loss. For financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A, the cumulative gain or loss previously recognised in other comprehensive income shall immediately be reclassified from equity to profit or loss as a reclassification adjustment (see AASB 18~~AASB 101~~).

...

Chapter 7 Effective date and transition

7.1 Effective date

...

7.1.11 AASB 18 issued in June 2024 amended paragraphs 5.6.5, 5.6.7, 5.7.10, 6.5.11, 6.5.12, 6.5.14, 6.5.15, 6.7.2, 7.2.1 and B4.1.2A. An entity shall apply those amendments when it applies AASB 18.

...

Appendix B
Application guidance

...

Classification (Chapter 4)

Classification of financial assets (Section 4.1)

The entity's business model for managing financial assets

...

B4.1.2A An entity's business model refers to how an entity manages its financial assets in order to generate cash flows. That is, the entity's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Consequently, this assessment is not performed on the basis of scenarios that the entity does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. For example, if an entity expects that it will sell a particular portfolio of financial assets only in a stress case scenario, that scenario would not affect the entity's assessment of the business model for those assets if the entity reasonably expects that such a scenario will not occur. If cash flows are realised in a way that is different from the entity's expectations at the date that the entity assessed the business model (for example, if the entity sells more or fewer financial assets than it expected when it classified the assets), that does not give rise to a prior period error in the entity's financial statements (see AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~) nor does it change the classification of the remaining financial assets held in that business model (ie those assets that the entity recognised in prior periods and still holds) as long as the entity considered all relevant information that was available at the time that it made the business model assessment. However, when an entity assesses the business model for newly originated or newly purchased financial assets, it must consider information about how cash flows were realised in the past, along with all other relevant information.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*,' in paragraph 7.2.1. New text is underlined.

2A When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

AASB 10 *Consolidated Financial Statements* (July 2015)

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*,' in paragraph C2. New text is underlined.

1A When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

Paragraph AG1 in the Australian application guidance accompanying AASB 10 is amended. New text is underlined and deleted text is struck through.

Australian application guidance

…

Exemption from presenting consolidated financial statements

AG1 The following table summarises the circumstances in which the exemption from presenting consolidated financial statements set out in paragraphs 4-Aus4.2 of this Standard may be available to a parent entity. The exemption is available only if the requirements of those paragraphs are satisfied. For example, the exemption is not available to a parent entity if it is a disclosing entity.

…

* The exemption would not be available by reference to the intermediate parent when it is a for-profit public sector entity unable to claim compliance with IFRSs~~ – see paragraph Aus16.2 of AASB 101 *Presentation of Financial Statements*~~.

…

AASB 11 *Joint Arrangements* (July 2015)

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*,' in paragraph C1B. New text is underlined.

1A When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

AASB 12 *Disclosure of Interests in Other Entities* (August 2015)

Paragraph B14 is amended and paragraph C1E is added. New text is underlined and deleted text is struck through.

Appendix B Application guidance

...

Summarised financial information for subsidiaries, joint ventures and associates (paragraphs 12 and 21)

...

B14 The summarised financial information disclosed ~~presented~~ in accordance with paragraphs B12 and B13 shall be the amounts included in the Australian-Accounting-Standards financial statements of the joint venture or associate (and not the entity's share of those amounts). If the entity accounts for its interest in the joint venture or associate using the equity method:

(a) the amounts included in the Australian-Accounting-Standards financial statements of the joint venture or associate shall be adjusted to reflect adjustments made by the entity when using the equity method, such as fair value adjustments made at the time of acquisition and adjustments for differences in accounting policies.

(b) the entity shall provide a reconciliation of the summarised financial information disclosed ~~presented~~ to the carrying amount of its interest in the joint venture or associate.

...

Appendix C Effective date and transition

...

Effective date and transition

...

C1E AASB 18 *Presentation and Disclosure in Financial Statements* issued in June 2024 amended paragraphs B14 and C1D. An entity shall apply those amendments when it applies AASB 18.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph C1D. New text is underlined.

1 When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

AASB 13 *Fair Value Measurement* (August 2015)

Paragraph 51 is amended and paragraph C7 is added. New text is underlined and deleted text is struck through.

Measurement

...

Application to financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk

...

51 An entity shall make an accounting policy decision in accordance with AASB 108 *Basis of Preparation of Financial Statements* ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~ to use the exception in paragraph 48. An entity that uses the exception shall apply that accounting policy, including its policy for allocating bid-ask adjustments (see paragraphs 53–55) and credit adjustments (see paragraph 56), if applicable, consistently from period to period for a particular portfolio.

...

Appendix C
Effective date and transition

...

C7 AASB 18 *Presentation and Disclosure in Financial Statements* issued in June 2024 amended paragraph 51. An entity shall apply those amendments when it applies AASB 18.

AASB 14 *Regulatory Deferral Accounts* (June 2014)

Paragraphs 19, B13 and B14 are amended and paragraph C2 is added. The subheading before paragraph 9 is also amended. Paragraph 9 is not amended but is included for ease of reference. New text is underlined and deleted text is struck through.

Recognition, measurement, impairment and derecognition

Temporary exemption from paragraph 11 of AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~

9 **An entity that has rate-regulated activities and that is within the scope of, and elects to apply, this Standard shall apply paragraphs 10 and 12 of AASB 108 when developing its accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances.**

...

Presentation

Changes in presentation

...

19 Notwithstanding the requirements in AASB 18 *Presentation and Disclosure in Financial Statements*~~In addition to the items that are required to be presented in the statement of financial position and in the statement(s) of profit or loss and other comprehensive income in accordance with AASB 101~~ ~~*Presentation of Financial Statements*~~, an entity applying this Standard shall present all regulatory deferral account balances and the movements in those balances in accordance with paragraphs 20–26.

...

Appendix B
Application guidance

...

Applicability of other Standards

...

Application of AASB 133 *Earnings per Share*

B13 Paragraph 66 of AASB 133 requires some entities to present, in the statement of profit or loss and other comprehensive income, basic and diluted earnings per share both for profit or loss from continuing operations and profit or loss that is attributable to the ordinary equity holders of the parent entity. In addition, paragraph 68 of AASB 133 requires an entity that reports a discontinued operation to either present in the statement of profit or loss and other comprehensive income or disclose in the notes ~~disclose~~ the basic and diluted amounts per share for the discontinued operation~~, either in the statement of profit or loss and other comprehensive income or in the notes~~.

B14 For each earnings per share amount presented in accordance with AASB 133, an entity applying this Standard shall present additional basic and diluted earnings per share amounts that are calculated in the same way, except that those amounts shall exclude the net movement in the regulatory deferral account balances. ~~Consistent with the requirement in paragraph 73 of AASB 133,~~ Notwithstanding the requirements in paragraph 73C(c) of AASB 133, an entity shall present the earnings per share required by paragraph 26 of this Standard with equal prominence to the earnings per share required by AASB 133 for all periods presented.

...

Appendix C
Effective date and transition

...

Effective date and transition

Effective date

...

C2 AASB 18 issued in June 2024 amended paragraphs 19, B13 and B14 and the subheading before paragraph 9. An entity shall apply those amendments when it applies AASB 18.

AASB 15 *Revenue from Contracts with Customers* (December 2014)

Paragraph 43 is amended and paragraph C1D is added. New text is underlined and deleted text is struck through.

Recognition

...

Satisfaction of performance obligations

...

Measuring progress towards complete satisfaction of a performance obligation

...

Methods for measuring progress

...

43 As circumstances change over time, an entity shall update its measure of progress to reflect any changes in the outcome of the performance obligation. Such changes to an entity's measure of progress shall be accounted for as a change in accounting estimate in accordance with AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~.

...

Appendix C
Effective date and transition

...

Effective date

...

C1D AASB 18 *Presentation and Disclosure in Financial Statements* issued in June 2024 amended paragraphs 43 and C3. An entity shall apply those amendments when it applies AASB 18.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*,' in paragraph C3(a). New text is underlined.

1 When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

AASB 16 *Leases* (February 2016)

Paragraph 49 is amended and paragraph C1E is added. New text is underlined and deleted text is struck through.

Lessee

...

Presentation

...

49 In the statement of profit or loss and other comprehensive income, a lessee shall present interest expense on the lease liability separately from the depreciation charge for the right-of-use asset. Paragraph 61 of AASB 18 *Presentation and Disclosure in Financial Statements* requires an entity to classify in the financing category of the statement of profit or loss interest ~~Interest~~ expense on the lease liability, identified by the entity applying paragraph 36(a)~~is a component of finance costs, which paragraph 82(b) of AASB 101 *Presentation of Financial Statements* requires to be presented separately in the statement of profit or loss and other comprehensive income~~.

...

Appendix C
Effective date and transition

...

Effective date

...

<u>C1E</u> <u>AASB 18 issued in June 2024 amended paragraphs 49 and C5. An entity shall apply those amendments when it applies AASB 18.</u>

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*;' in paragraph C5(a). New text is underlined.

<u>1</u> <u>When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.</u>

AASB 17 *Insurance Contracts* (July 2017)

Paragraphs 91, 96, 103 and B129 are amended and paragraph C2B is added. New text is underlined and deleted text is struck through.

Recognition and presentation in the statement(s) of financial performance (paragraphs B120–B136)

...

Insurance finance income or expenses (see paragraphs B128–B136)

...

91 If an entity transfers a group of insurance contracts or derecognises an insurance contract applying paragraph 77:

(a) it shall reclassify to profit or loss as a reclassification adjustment (see <u>AASB 18 *Presentation and Disclosure in Financial Statements*</u>~~AASB 101 *Presentation of Financial Statements*~~) any remaining amounts for the group (or contract) that were previously recognised in other comprehensive income because the entity chose the accounting policy set out in paragraph 88(b).

(b) it shall not reclassify to profit or loss as a reclassification adjustment (see <u>AASB 18</u>~~AASB 101~~) any remaining amounts for the group (or contract) that were previously recognised in other comprehensive income because the entity chose the accounting policy set out in paragraph 89(b).

...

Disclosure

...

96 <u>Paragraphs 41–43 of AASB 18</u> ~~Paragraphs 29–31 of AASB 101~~ set out requirements relating to ~~materiality and~~ aggregation <u>and disaggregation</u> of information. Examples of <u>characteristics</u> ~~aggregation bases~~ that might be appropriate <u>as a basis to disaggregate</u> ~~for~~ information disclosed about insurance contracts are:

(a) type of contract (for example, major product lines);

(b) geographical area (for example, country or region); or

(c) reportable segment, as defined in AASB 8 *Operating Segments*.

Explanation of recognised amounts

...

103 An entity shall separately disclose in the reconciliations required in paragraph 100 each of the following amounts related to services, if applicable:

...

(c) investment components excluded from insurance revenue and insurance service expenses (combined with refunds of premiums unless refunds of premiums are disclosed ~~presented~~ as part of the cash flows in the period described in paragraph 105(a)(i)).

...

Appendix B
Application guidance

...

Insurance finance income or expenses (paragraphs 87–92)

...

B129 Paragraphs 88–89 require an entity to make an accounting policy choice as to whether to disaggregate insurance finance income or expenses for the period between profit or loss and other comprehensive income. An entity shall apply its choice of accounting policy to portfolios of insurance contracts. In assessing the appropriate accounting policy for a portfolio of insurance contracts, applying paragraph 13 of AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~, the entity shall consider for each portfolio the assets that the entity holds and how it accounts for those assets.

...

Appendix C
Effective date and transition

...

Effective date

...

C2B AASB 18 *Presentation and Disclosure in Financial Statements* issued in June 2024 amended paragraphs 91, 96, 103, B129 and C3. An entity shall apply those amendments when it applies AASB 18.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*;' in paragraph C3(a). New text is underlined.

2 When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

AASB 102 *Inventories* (July 2015)

Paragraph 39 is amended and paragraph 40H is added. New text is underlined and deleted text is struck through.

Disclosure

...

39 Some entities classify expenses by nature in the operating category of the statement of ~~adopt a format for~~ profit or loss in a way that results in amounts being presented ~~disclosed~~ other than the cost of inventories recognised as an expense during the period. ~~Under this format, an entity presents an analysis of expenses using a classification based on the nature of expenses.~~ In this case, the entity presents ~~discloses~~ the costs recognised as an expense for raw materials and consumables, employee benefits ~~labour costs~~ and other costs together with the amount of the net change in inventories for the period.

Effective date

...

40H AASB 18 *Presentation and Disclosure in Financial Statements* issued in June 2024 amended paragraph 39. An entity shall apply those amendments when it applies AASB 18.

AASB 107 *Statement of Cash Flows* (August 2015)

Paragraphs 6, 10, 12, 14, 16–18, 20, 31, 32, 35, 46 and 47 are amended. Paragraphs 33A, 34A–34D, and 64 are added. Paragraphs 33 and 34 are deleted. New text is underlined and deleted text is struck through.

Definitions

6 The following terms are used in this Standard with the meanings specified:

...

***Investing activities* are the acquisition and disposal of long-term assets and other investments not included in cash equivalents and the receipt of interest and dividends as described in paragraphs 34A–34D.**

...

Presentation of a statement of cash flows

10 The statement of cash flows shall report cash flows during the period classified by operating, investing and financing activities. In preparing the statement of cash flows, an entity shall apply this Standard and also apply the general requirements for financial statements in paragraphs 9–43 and 113–114 of AASB 18 *Presentation and Disclosure in Financial Statements*.

...

12 A single transaction may include cash flows that are classified differently. ~~For example, when the cash repayment of a loan includes both interest and capital, the interest element may be classified as an operating activity and the capital element is classified as a financing activity.~~

Operating activities

...

14 Cash flows from operating activities are primarily derived from the principal revenue-producing activities of the entity. Therefore, they generally result from the transactions and other events that enter into the determination of profit or loss. Examples of cash flows from operating activities are:

(a) cash receipts from the sale of goods and the rendering of services;

(b) cash receipts from royalties, fees, commissions and other revenue;

(c) cash payments to suppliers for goods and services;

(d) cash payments to and on behalf of employees;

(e) [deleted]

(f) cash payments or refunds of income taxes unless they can be specifically identified with financing and investing activities;~~ and~~

(g) cash receipts and payments from contracts held for dealing or trading purposes; and~~.~~

(h) cash receipts of dividends and cash receipts and payments of interest as described in paragraphs 34B–34D.

Some transactions, such as the sale of an item of plant, may give rise to a gain or loss that is included in recognised profit or loss. The cash flows relating to such transactions are cash flows from investing activities. However, cash payments to manufacture or acquire assets held for rental to others and subsequently held for sale as described in paragraph 68A of AASB 116 *Property, Plant and Equipment* are cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also cash flows from operating activities.

...

Investing activities

16 The separate presentation ~~disclosure~~ of cash flows arising from investing activities is important because the cash flows represent the extent to which expenditures have been made for resources intended to generate future income and cash flows. Only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities. Examples of cash flows arising from investing activities are:

(a) cash payments to acquire property, plant and equipment, intangibles and other long-term assets. These payments include those relating to capitalised development costs and self-constructed property, plant and equipment.~~;~~

(b) cash receipts from sales of property, plant and equipment, intangibles and other long-term assets.~~;~~

(c) cash payments to acquire equity or debt instruments of other entities including ~~and~~ interests in associates and joint ventures (other than payments for those instruments considered to be cash equivalents or those held for dealing or trading purposes).~~;~~

(d) cash receipts from sales of equity or debt instruments of other entities including ~~and~~ interests in associates and joint ventures (other than receipts for those instruments considered to be cash equivalents and those held for dealing or trading purposes).~~;~~

(e) cash advances and loans made to other parties (other than advances and loans made by a financial institution).~~;~~

(f) cash receipts from the repayment of advances and loans made to other parties (other than advances and loans of a financial institution).~~;~~

(g) cash payments for futures contracts, forward contracts, option contracts and swap contracts except when the contracts are held for dealing or trading purposes, or the payments are classified as financing activities.~~; and~~

(h) cash receipts from futures contracts, forward contracts, option contracts and swap contracts except when the contracts are held for dealing or trading purposes, or the receipts are classified as financing activities.

(i) cash receipts of interest and dividends as described in paragraphs 34A–34D.

When a contract is accounted for as a hedge of an identifiable position the cash flows of the contract are classified in the same manner as the cash flows of the position being hedged.

Financing activities

17 The separate presentation ~~disclosure~~ of cash flows arising from financing activities is important because it is useful in predicting claims on future cash flows by providers of capital to the entity. Examples of cash flows arising from financing activities are:

(a) cash proceeds from issuing shares or other equity instruments;

(b) cash payments to owners to acquire or redeem the entity's shares;

(c) cash proceeds from issuing debentures, loans, notes, bonds, mortgages and other short-term or long-term borrowings;

(d) cash repayments of amounts borrowed;~~ and~~

(e) cash payments by a lessee for the reduction of the outstanding liability relating to a lease;~~.~~

(f) cash payments of dividends as described in paragraph 33A; and

(g) cash payments of interest as described in paragraphs 34A–34D.

Reporting cash flows from operating activities

18 **An entity shall report cash flows from operating activities using either:**

(a) the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed; or

(b) the indirect method, whereby operating profit or loss is adjusted for:

(i) the effects of transactions of a non-cash nature;~~,~~

(ii) any deferrals or accruals of past or future operating cash receipts or payments;~~,~~

(iii) income or expenses classified in the operating category in the statement of profit or loss for which the associated cash flows are classified as cash flows from either investing or financing activities; and

(iv) cash flows from operating activities for which the associated income or expenses are not classified in the operating category of the statement of profit or loss~~and items of income or expense associated with investing or financing cash flows~~.

...

20 Under the indirect method, the net cash flow from operating activities is determined by adjusting operating profit or loss for the effects of:

(a) changes during the period in inventories and operating receivables and payables;

(b) non-cash items such as depreciation, provisions and~~, deferred taxes,~~ unrealised foreign currency gains and losses classified in the operating category~~, and undistributed profits of associates~~;~~ and~~

(c) income or expenses classified in the operating category in the statement of profit or loss ~~all other items~~ for which the cash effects are investing or financing cash flows; and~~.~~

(d) operating cash flows, such as income tax (in accordance with paragraph 35), for which the corresponding income or expenses are not classified in the operating category in the statement of profit or loss.

Alternatively, the net cash flow from operating activities may be presented under the indirect method by showing the revenues and expenses classified in the operating category in the statement of profit or loss, ~~disclosed in the statement of comprehensive income and~~ the changes during the period in inventories and operating receivables and payables and any other operating cash flows for which the corresponding income or expenses are not classified in the operating category.

...

Interest and dividends

31 **Cash flows from interest and dividends received and paid shall each be presented ~~disclosed~~ separately. Each shall be classified in a consistent manner from period to period applying paragraphs 32, 33A and 34A–34D~~as either operating, investing or financing activities~~.**

32 The total amount of interest paid during a period is included ~~disclosed~~ in the statement of cash flows whether it has been recognised as an expense in profit or loss or capitalised in accordance with AASB 123 *Borrowing Costs*.

33 [Deleted]~~Interest paid and interest and dividends received are usually classified as operating cash flows for a financial institution. However, there is no consensus on the classification of these cash flows for other entities.~~

~~Interest paid and interest and dividends received may be classified as operating cash flows because they enter into the determination of profit or loss. Alternatively, interest paid and interest and dividends received may be classified as financing cash flows and investing cash flows respectively, because they are costs of obtaining financial resources or returns on investments.~~

33A An entity shall classify dividends paid as cash flows from financing activities.

34 [Deleted]~~Dividends paid may be classified as a financing cash flow because they are a cost of obtaining financial resources. Alternatively, dividends paid may be classified as a component of cash flows from operating activities in order to assist users to determine the ability of an entity to pay dividends out of operating cash flows.~~

34A An entity, other than those entities described in paragraph 34B, shall classify:

(a) interest paid (as described in paragraph 32) as cash flows from financing activities.

(b) interest and dividends received as cash flows from investing activities.

34B An entity that invests in assets or provides financing to customers as a main business activity (as determined applying paragraphs B30–B41 of AASB 18) shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how – applying AASB 18 – it classifies dividend income, interest income and interest expenses in the statement of profit or loss. An entity shall classify the total of each of these cash flows in a single category in the statement of cash flows (that is, either as operating, investing or financing activities).

34C In applying paragraph 34B, if an entity classifies the total of each of dividend income, interest income and interest expenses in a single category of the statement of profit or loss, the entity shall classify the total of each of dividends received, interest received and interest paid as cash flows arising from the associated activity in the statement of cash flows. For example, if an entity classifies all its interest expenses in the financing category of the statement of profit or loss, the entity would classify all its interest paid as cash flows from financing activities.

34D In applying AASB 18, an entity may be required to classify each of dividend income, interest income and interest expenses in more than one category of the statement of profit or loss. In such a case, in applying paragraph 34B the entity shall make an accounting policy choice to classify the related cash flows in one of the associated activities in the statement of cash flows. For example, if an entity classifies interest expenses in the operating category and the financing category of the statement of profit or loss, the entity would classify all its interest paid in accordance with its accounting policy as either cash flows from operating activities or cash flows from financing activities.

Taxes on income

35 Cash flows arising from taxes on income shall be separately presented ~~disclosed~~ and shall be classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities.

...

Components of cash and cash equivalents

...

46 In view of the variety of cash management practices and banking arrangements around the world and in order to comply with AASB 108 *Basis of Preparation of Financial Statements*~~AASB 101~~ ~~*Presentation of Financial Statements*~~, an entity discloses the policy which it adopts in determining the composition of cash and cash equivalents.

47 The effect of any change in the policy for determining components of cash and cash equivalents, for example, a change in the classification of financial instruments previously considered to be part of an entity's investment portfolio, is reported in accordance with AASB 108 ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~.

...

Effective date

...

64 AASB 18 issued in June 2024 amended paragraphs 6, 10, 12, 14, 16–18, 20, 31, 32, 35, 46 and 47, added paragraphs 33A and 34A–34D, and deleted paragraphs 33 and 34. An entity shall apply those amendments when it applies AASB 18.

The illustrative examples accompanying AASB 107 are amended. In the first illustrative example (A – Statement of cash flows for an entity other than a financial institution), the title, paragraphs 1 and 3, the Consolidated statement of comprehensive income for the period ended 20X2, the Consolidated statement of financial position as at end of 20X2, the Direct method statement of cash flows, the Indirect method statement of cash flows, the Notes to the statement of cash flows (direct method and indirect method) (particularly, A. Obtaining control of subsidiary, D. Segment information, E. Reconciliation of liabilities arising from financing activities) and Alternative presentation (indirect method) are amended. In the second illustrative example (B – Statement of cash flows for a financial institution), the title, paragraph 1 and the Direct method statement of cash flows are amended. In the third illustrative example (C – Reconciliation of liabilities arising from financing activities), paragraph 2 is amended. New text is underlined and deleted text is struck through.

Illustrative examples

...

A Statement of cash flows for an entity that does not invest in assets or provide financing to customers as a main business activity~~other than a financial institution~~

1 The examples show only current period amounts. Comparative information ~~Corresponding amounts~~ for the preceding period is ~~are~~ required to be presented in accordance with ~~AASB 101 *Presentation of Financial Statements*~~AASB 18 *Presentation and Disclosure in Financial Statements*.

...

3 The following additional information is also relevant for the preparation of the statements of cash flows:

- all of the shares of a subsidiary were acquired for 590. The fair values of assets acquired and liabilities assumed were as follows:

Inventories	100
Trade and other ~~Accounts~~ receivables	100
Cash	40
Property, plant and equipment	650
Trade payables	100
Long-term debt	200

...

- during the period, the group acquired property, plant and equipment and right-of-use assets relating to property, plant and equipment with an aggregate cost of 1,250, of which 900 related to right-of-use assets. Cash payments of 350 were made to purchase property, plant and equipment.
- depreciation on property, plant and equipment and amortisation of intangible assets for the period amounted to 350 and 100 respectively.
- plant with original cost of 80 and accumulated depreciation of 60 was sold for 20.
- trade and other ~~accounts~~ receivables as at the end of 20X2 include 100 of interest receivable.

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

Sales	30,650
Cost of sales	(26,450) ~~(26,000)~~

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

Gross profit	4,200 ~~4,650~~
~~Depreciation~~	~~(450)~~
Selling ~~Administrative and selling~~ expenses	(600)~~(910)~~
General and administrative expenses	(310)
Operating profit	3,290
Share of profit or loss of associates and joint ventures	50
~~Interest expense~~	~~(400)~~
Investment income	450~~500~~
Foreign exchange loss	(40)
Profit before financing and income taxes	3,750
Interest expenses	(400)
~~Foreign exchange loss~~	~~(40)~~
Profit before income taxes~~taxation~~	3,350
Income tax expense~~Taxes on income~~	(300)
Profit/total comprehensive income	3,050

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

Consolidated statement of financial position as at end of 20X2

		20X2		20X1
Assets				
Current assets				
Cash and cash equivalents		230		160
Trade and other ~~Accounts~~ receivables		1,900		1,200
Inventories~~Inventory~~		1,000		1,950
Non-current assets				
Investments in associates and joint ventures		500		450
Investments in other financial instruments		2,000		2,050
~~Portfolio investments~~		~~2,500~~		~~2,500~~
~~Property, plant and equipment at cost~~	~~3,730~~		~~1,910~~	
~~Accumulated depreciation~~	~~(1,450)~~		~~(1,060)~~	
Property, plant and equipment ~~net~~		1,880 ~~2,280~~		350 ~~850~~
Intangible assets		400		500
Total assets		7,910		6,660

Liabilities

Current liabilities

Consolidated statement of financial position as at end of 20X2

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

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

		20X2
Cash flows from operating activities		
Cash receipts from customers	30,150	
Cash paid to suppliers and employees	(27,600)	
Cash from operating activities before income taxes ~~Cash generated from operations~~	2,550	
~~Interest paid~~	~~(270)~~	
Income taxes paid	(900)	
Net cash from operating activities		1,650 ~~1,380~~
Cash flows from investing activities		
Acquisition of Subsidiary~~subsidiary~~ X, net of cash acquired (Note A)	(550)	
Purchase of property, plant and equipment (Note B)	(350)	
Proceeds from sale of equipment	20	
Interest received	200	
Dividends received	200	
Net cash used in investing activities		(480)
Cash flows from financing activities		
Proceeds from issue of share capital	250	
Proceeds from long-term borrowings	250	

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

		20X2
Payment of lease liabilities	(90)	
Interest paid	(270)	
Dividends paid~~(a)~~	(1,200)	
Net cash used in financing activities		(1,060) ~~(790)~~
Net increase in cash and cash equivalents		110
Cash and cash equivalents at beginning of period (Note C)		120
Cash and cash equivalents at end of period (Note C)		230

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

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

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

Net cash used in investing activities		(480)
Cash flows from financing activities		
Proceeds from issue of share capital	250	
Proceeds from long-term borrowings	250	
Payment of lease liabilities	(90)	
Interest paid	(270)	
Dividends paid~~[(a)]~~	(1,200)	
Net cash used in financing activities		(1,060) ~~(790)~~
Net increase in cash and cash equivalents		110
Cash and cash equivalents at beginning of period (Note C)		120
Cash and cash equivalents at end of period (Note C)		230

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

Notes to the statement of cash flows (direct method and indirect method)

A. Obtaining control of subsidiary

During the period the Group obtained control of Subsidiary ~~subsidiary~~ X. The fair values of assets acquired and liabilities assumed were as follows:

Cash	40
Inventories	100
Trade and other ~~Accounts~~ receivables	100
Property, plant and equipment	650
Trade payables	(100)
Long-term debt	(200)
Total purchase price paid in cash	590
Less: Cash of Subsidiary ~~subsidiary~~ X acquired	(40)
Cash paid to obtain control net of cash acquired	550

...

D. Segment information

	Segment A	Segment B	Total
Cash flows from:			
Operating activities	1,720 ~~1,520~~	(70) ~~(140)~~	1,650 ~~1,380~~
Investing activities	(640)	160	(480)
Financing activities	(770) ~~(570)~~	(290) ~~(220)~~	(1,060) ~~(790)~~
	310	(200)	110

E. Reconciliation of liabilities arising from financing activities

	20X1	Cash flows	Non-cash changes			20X2
			Interest expenses	Acquisition	New leases	
Long-term borrowings	1,040	250	–	200	–	1,490
Lease liabilities	–	(90)	–	–	900	810
Long-term debt	1,040	160	–	200	900	2,300
Interest payable	100	(270)	400	–	–	230
	1,140	(110)	400	200	900	2,530

Alternative presentation (indirect method)

As an alternative, in an indirect method statement of cash flows, operating profit before working capital changes is sometimes presented as follows:

Sales ~~Revenues excluding investment income~~	30,650	
Cost of sales	(26,000)	
Selling expenses	(600)	
General and administrative expenses	(310)	
~~Operating expense excluding depreciation~~	~~(26,910)~~	
Operating profit before depreciation and amortisation ~~before working capital changes~~		3,740

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

1 The example shows only current period amounts. Comparative information ~~amounts~~ for the preceding period is ~~are~~ required to be presented in accordance with AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~.

...

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

		20X2
Cash flows from operating activities		
Interest[(a)] and commission receipts	28,747 ~~28,447~~	
Interest payments[(a)]	(23,463)	
Dividends received[(a)]	200	
Recoveries on loans previously written off	237	
Cash payments to employees and suppliers	(997)	
	~~4,224~~	

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

		20X2
(Increase) decrease in operating assets:		
Short-term funds	(650)	
Deposits held for regulatory or monetary control purposes	234	
Funds advanced to customers	(288)	
Net increase in credit card receivables	(360)	
Other short-term negotiable securities	(120)	
Increase (decrease) in operating liabilities:		
Deposits from customers	600	
Negotiable certificates of deposit	(200)	
Net cash from operating activities before income taxes~~tax~~	3,940 ~~3,440~~	
Income taxes paid	(100)	
Net cash from operating activities		3,840 ~~3,340~~
Cash flows from investing activities		
Disposal of ~~subsidiary~~Subsidiary Y	50	
~~Dividends received~~	~~200~~	
~~Interest received~~	~~300~~	
Proceeds from sales of non-dealing securities	1,200	
Purchase of non-dealing securities	(600)	
Purchase of property, plant and equipment	(500)	
Net cash from investing activities		150~~650~~
Cash flows from financing activities		
Issue of loan capital	1,000	
Issue of preference shares by subsidiary undertaking	800	
Repayment of long-term borrowings	(200)	
Net decrease in other borrowings	(1,000)	
Dividends paid	(400)	
Net cash from financing activities		200
Effects of exchange rate changes on cash and cash equivalents		600
Net increase in cash and cash equivalents		4,790
Cash and cash equivalents at beginning of period		4,050
Cash and cash equivalents at end of period		8,840

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

C Reconciliation of liabilities arising from financing activities

...

2 The example shows only current period amounts. Comparative information ~~Corresponding amounts~~ for the preceding period is ~~are~~ required to be presented in accordance with AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~.

...

AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (August 2015)

The title of AASB 108 is amended. New text is underlined and deleted text is struck through.

AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~

Paragraphs 1, 3, 5, 7, 11, AusCF11 and 32 are amended and paragraph 2 is deleted. Paragraphs 3A, 6A–AusCF6J, 6K–6L, 6M–AusCF6N, 27A–27I and 31A–31I, each with a related heading or subheading, and paragraph 54J are added. A subheading is also added before paragraph 28. Paragraph 28 has not been amended but is included for ease of reference. New text is underlined and deleted text is struck through.

Objective

1 The objective of this Standard is to ~~prescribe~~ enhance the relevance and reliability of an entity's financial statements, and the comparability of those financial statements over time and with financial statements of other entities, by prescribing the basis of preparation of financial statements which includes:

(a) general matters;

(b) the criteria for selecting, ~~and~~ changing and disclosing accounting policies; and~~,~~

(c) ~~together with~~ the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. ~~The Standard is intended to enhance the relevance and reliability of an entity's financial statements, and the comparability of those financial statements over time and with the financial statements of other entities.~~

…

2 [Deleted] ~~Disclosure requirements for accounting policies, except those for changes in accounting policies, are set out in AASB 101 *Presentation of Financial Statements*.~~

Scope

3 This Standard shall be applied in determining the basis of preparation of financial statements, including selecting and applying accounting policies, and accounting for changes in accounting policies, changes in accounting estimates and corrections of prior period errors.

3A AASB 134 *Interim Financial Reporting* sets out the requirements for the presentation and disclosure of condensed interim financial statements. Paragraphs 6A–6N of this Standard also apply to such interim financial statements.

...

Definitions

5 The following terms are used in this Standard with the meanings specified:

...

***IFRS Accounting Standards* are accounting standards issued by the International Accounting Standards Board. They comprise:**

(a) International Financial Reporting Standards;

(b) **International Accounting Standards;**

(c) **IFRIC Interpretations; and**

(d) **SIC Interpretations.**

IFRS Accounting Standards were previously known as International Financial Reporting Standards, IFRS, IFRSs and IFRS Standards.

***Material information* is defined in ~~paragraph 7 of AASB 101 and~~ Appendix A of AASB 18 *Presentation and Disclosure in Financial Statements*. Material is used in this Standard with the same meaning.**

...

Basis of preparation – general matters

Fair presentation and compliance with Australian Accounting Standards[1]

1 [Aus] The term 'Australian Accounting Standards' refers to Standards (including Interpretations) made by the AASB that apply to any reporting period beginning on or after 1 January 2005. In this context, the term encompasses Australian Accounting Standards – Simplified Disclosures, which some entities are permitted to apply in accordance with AASB 1053 *Application of Tiers of Australian Accounting Standards* in preparing general purpose financial statements.

6A 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 *Conceptual Framework for Financial Reporting* (*Conceptual Framework*) (as identified in AASB 1048 *Interpretation of Standards*). The application of Australian Accounting Standards, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.

AusCF6A Notwithstanding paragraph 6A, in respect of AusCF entities, 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*.[AusCF1] The application of Australian Accounting Standards, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.

AusCF1 Paragraphs AusCF6A–AusCF6J contain references to the objective of financial statements set out in the *Framework for the Preparation and Presentation of Financial Statements* (as identified in AASB 1048). In December 2013 the AASB amended the Framework, and thereby replaced the objective of financial statements with the objective of general purpose financial reporting: see Chapter 1 of the Framework.

6B An entity whose financial statements comply with IFRS Accounting Standards shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with IFRS Accounting Standards unless they comply with all the requirements of IFRS Accounting Standards.

Aus6B.1 Not-for-profit entities need not comply with the paragraph 6B requirement to make an explicit and unreserved statement of compliance with IFRS Accounting Standards.

6C In virtually all circumstances, an entity achieves a fair presentation by compliance with applicable Australian Accounting Standards. A fair presentation also requires an entity:

(a) to select and apply accounting policies in accordance with this Standard. This Standard sets out a hierarchy of authoritative guidance that management considers in the absence of an Australian Accounting Standard 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 Australian Accounting Standards 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.

6D An entity cannot rectify inappropriate accounting policies either by disclosure of the accounting policies used or by notes or explanatory material.

6E **In the extremely rare circumstances in which management concludes that compliance with a requirement in an Australian Accounting Standard would be so misleading that it would conflict with the objective of financial statements set out in the *Conceptual Framework*, the entity shall depart from that requirement in the manner set out in paragraph 6F if the relevant regulatory framework requires, or otherwise does not prohibit, such a departure.**

AusCF6E **Notwithstanding paragraph 6E, in respect of AusCF entities, in the extremely rare circumstances in which management concludes that compliance with a requirement in an Australian Accounting Standard 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 AusCF6F if the relevant regulatory framework requires, or otherwise does not prohibit, such a departure.**

Aus6E.1 **In relation to paragraph 6E, the following shall not depart from a requirement in an Australian Accounting Standard:**

(a) **entities required to prepare financial reports under Part 2M.3 of the Corporations Act;**

(b) **private and public sector not-for-profit entities; and**

(c) **entities applying Australian Accounting Standards – Simplified Disclosures.**

6F **When an entity departs from a requirement of an Australian Accounting Standard in accordance with paragraph 6E, 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 Australian Accounting Standards, except that it has departed from a particular requirement to achieve a fair presentation;**

(c) **the title of the Australian Accounting Standard from which the entity has departed, the nature of the departure, including the treatment that the Australian Accounting Standard 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 *Conceptual 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.**

AusCF6F **Notwithstanding paragraph 6F, in respect of AusCF entities, when an entity departs from a requirement of an Australian Accounting Standard in accordance with paragraph AusCF6E, 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 Australian Accounting Standards, except that it has departed from a particular requirement to achieve a fair presentation;**

(c) **the title of the Australian Accounting Standard from which the entity has departed, the nature of the departure, including the treatment that the Australian Accounting Standard 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.**

6G **When an entity has departed from a requirement of an Australian Accounting Standard 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 paragraphs 6F(c)–6F(d).**

6H Paragraph 6G applies, for example, when an entity departed in a prior period from a requirement in an Australian Accounting Standard 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.

6I **In the extremely rare circumstances in which management concludes that compliance with a requirement in an Australian Accounting Standard would be so misleading that it would conflict with the objective of financial statements set out in the *Conceptual 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 Australian Accounting Standard 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 *Conceptual 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.**

AusCF6I **Notwithstanding paragraph 6I, in respect of AusCF entities, in the extremely rare circumstances in which management concludes that compliance with a requirement in an Australian Accounting Standard 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 Australian Accounting Standard 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.**

6J For the purpose of paragraphs 6E–6I, 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 Australian Accounting Standard would be so misleading that it would conflict with the objective of financial statements set out in the *Conceptual 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 *Conceptual Framework*.

AusCF6J Notwithstanding paragraph 6J, in respect of AusCF entities, for the purpose of paragraphs AusCF6E–AusCF6I, 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 Australian Accounting Standard 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

6K **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.**

6L 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

6M An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting.

6N 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 *Conceptual Framework*.

AusCF6N Notwithstanding paragraph 6N, in respect of AusCF entities, 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*.[AusCF2]

AusCF2 The *Framework for the Preparation and Presentation of Financial Statements* was amended by the AASB in December 2013.

Accounting policies

Selection and application of accounting policies

7 When an Australian Accounting Standard~~[1]~~ specifically applies to a transaction, other event or condition, the accounting policy or policies applied to that item shall be determined by applying the Standard.

~~1 [Aus] The term 'Australian Accounting Standards' refers to Standards (including Interpretations) made by the AASB that apply to any reporting period beginning on or after 1 January 2005. In this context, the term encompasses Australian Accounting Standards – Simplified Disclosures, which some entities are permitted to apply in accordance with AASB 1053 *Application of Tiers of Australian Accounting Standards* in preparing general purpose financial statements.~~

...

11 In making the judgement described in paragraph 10, management shall refer to, and consider the applicability of, the following sources in descending order:

...

(b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the ~~*Conceptual Framework for Financial Reporting* (~~*Conceptual Framework*~~) (as identified in AASB 1048 *Interpretation of Standards*)~~.[2]

AusCF11 Notwithstanding paragraph 11, in respect of AusCF entities, in making the judgement described in paragraph 10, management shall refer to, and consider the applicability of, the following sources in descending order:

…

(b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework~~[AusCF2]~~.

~~AusCF2 In December 2013 the AASB amended the *Framework for the Preparation and Presentation of Financial Statements* (as identified in AASB 1048 *Interpretation of Standards*)~~

...

Disclosure

Disclosure of selection and application of accounting policies

27A An entity shall disclose material accounting policy information (see paragraph 5). Accounting policy information is material if, when considered together with other information included in an entity's

financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

27B Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may nevertheless be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

27C Accounting policy information is expected to be material if users of an entity's financial statements would need it to understand other material information in the financial statements. For example, an entity is likely to consider accounting policy information material to its financial statements if that information relates to material transactions, other events or conditions and:

(a) the entity changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

(b) the entity chose the accounting policy from one or more options permitted by Australian Accounting Standards – such a situation could arise if the entity chose to measure investment property at historical cost rather than fair value;

(c) the accounting policy was developed in accordance with this Standard in the absence of an Australian Accounting Standard that specifically applies;

(d) the accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity discloses those judgements or assumptions in accordance with paragraphs 27G and 31A; or

(e) the accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions – such a situation could arise if an entity applies more than one Standard to a class of material transactions.

27D Accounting policy information that focuses on how an entity has applied the requirements in the Australian Accounting Standards to its own circumstances provides entity-specific information that is more useful to users of financial statements than standardised information, or information that only duplicates or summarises the requirements of the Standards.

27E If an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

27F An entity's conclusion that accounting policy information is immaterial does not affect the related disclosure requirements set out in other Australian Accounting Standards.

27G An entity shall disclose, along with its material accounting policy information or other notes, the judgements, apart from those involving estimations (see paragraph 31A), 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.

27H 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) when substantially all the significant risks and rewards of ownership of financial assets and, for lessors, assets subject to leases are transferred to other entities;

(b) whether, in substance, particular sales of goods are financing arrangements and therefore do not give rise to revenue; and

(c) whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

27I Some of the disclosures made in accordance with paragraph 27G are required by other Australian Accounting Standards. For example, AASB 12 *Disclosure of Interests in Other Entities* requires an entity to disclose the judgements it has made in determining whether it controls another entity. AASB 140 *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.

Disclosure of changes in accounting policies

28 When initial application of an Australian Accounting Standard has an effect on the current period or any prior period, would have such an effect except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose:

...

Disclosure of sources of estimation uncertainty

31A **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.

31B 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.

31C The assumptions and other sources of estimation uncertainty disclosed in accordance with paragraph 31A 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.

31D The disclosures in paragraph 31A 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 a quoted price in an active market for an identical asset or liability. 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.

31E An entity provides the disclosures in paragraph 31A 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.

31F This Standard does not require an entity to disclose budget information or forecasts in making the disclosures in paragraph 31A.

31G 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.

31H The disclosures in paragraph 27G 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 31A.

31I Other Australian Accounting Standards require the disclosure of some of the assumptions that would otherwise be required in accordance with paragraph 31A. For example, AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* requires disclosure, in specified circumstances, of major assumptions concerning future events affecting classes of provisions. AASB 13 *Fair Value Measurement* requires disclosure of significant assumptions (including the valuation technique(s) and inputs) the entity uses when measuring the fair values of assets and liabilities that are carried at fair value.

Accounting estimates

32 An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information. Examples of accounting estimates include:

...

(c) the fair value of an asset or liability, applying AASB 13 ~~*Fair Value Measurement*~~;

...

(e) a provision for warranty obligations, applying AASB 137 ~~*Provisions, Contingent Liabilities and Contingent Assets*~~.

...

Effective date and transition

...

54J AASB 18 issued in June 2024 amended paragraphs 1, 3, 5, 7, 11, AusCF11, 32 and 54H, added paragraphs 3A, 6A–AusCF6N, 27A–27I and 31A–31I and related headings and subheadings, added a subheading above paragraph 28 and deleted paragraph 2. An entity shall apply those amendments when it applies AASB 18.

A footnote is added to the end of paragraph 54H. New text is underlined.

4 In June 2024 the AASB issued AASB 18 *Presentation and Disclosure in Financial Statements* and carried over the definition of 'material' in AASB 101 *Presentation of Financial Statements* to AASB 18.

AASB 110 *Events after the Reporting Period* (August 2015)

Paragraphs 13 and 16 are amended and paragraph 23D is added. New text is underlined and deleted text is struck through.

Recognition and measurement

...

Dividends

...

13 If dividends are declared after the reporting period but before the financial statements are authorised for issue, the dividends are not recognised as a liability at the end of the reporting period because no obligation exists at that time. Such dividends are disclosed in the notes in accordance with AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~.

Going concern

...

16 AASB 108 *Basis of Preparation of Financial Statements* ~~AASB 101~~ specifies required disclosures if:

(a) the financial statements are not prepared on a going concern basis; or

(b) management is aware 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 events or conditions requiring disclosure may arise after the reporting period.

...

Effective date

...

23D AASB 18 issued in June 2024 amended paragraphs 13, 16 and 23C. An entity shall apply those amendments when it applies AASB 18.

A footnote is added to 'definition of material in paragraph 7 of AASB 101' in paragraph 23C. New text is underlined.

1 In June 2024 the AASB issued AASB 18 *Presentation and Disclosure in Financial Statements* and carried over the definition of 'material' in AASB 101 *Presentation of Financial Statements* to AASB 18.

AASB 112 *Income Taxes* (August 2015)

Paragraphs 62A, 77 (and its related subheading) and 78 (and its related subheading) and paragraph 81 are amended. Paragraph 98N is added. New text is underlined and deleted text is struck through.

Recognition of current and deferred tax

...

Items recognised outside profit or loss

...

62A Australian Accounting 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 AASB 108 *Basis of Preparation of Financial Statements*~~*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).

...

Presentation

...

Tax expense

Tax expense (income) related to items recognised in profit or loss ~~from ordinary activities~~

77 The tax expense (income) related to items recognised in profit or loss from continuing operations ~~ordinary activities~~ shall be presented in the income tax category in ~~as part of profit or loss in~~ the statement ~~statement(s)~~ of profit or loss ~~and other comprehensive income~~.

...

Exchange differences on <u>foreign currency denominated assets and liabilities arising from income taxes</u>~~deferred foreign tax liabilities or assets~~

78 ~~AASB 121 requires certain exchange differences to be recognised as income or expense but does not specify where such differences should be presented in the statement of comprehensive income. Accordingly, where~~ <u>If</u> exchange differences on <u>foreign currency denominated assets and liabilities arising from income taxes</u> ~~deferred foreign tax liabilities or assets~~ are recognised in <u>profit or loss in accordance with AASB 121</u>~~the statement of comprehensive income~~, such differences <u>shall</u> ~~may~~ be classified <u>applying the requirements in paragraph 67 of AASB 18 *Presentation and Disclosure in Financial Statements*</u>~~as deferred tax expense (income) if that presentation is considered to be the most useful to financial statement users~~.

Disclosure

...

81 The following shall also be disclosed separately:

...

(ab) the amount of income tax relating to each component of other comprehensive income (see paragraph 62 and <u>paragraph 93 of AASB 18</u>~~AASB 101~~);

...

(h) in respect of discontinued operations, the tax expense relating to:

(i) the gain or loss on discontinuance; and

(ii) the profit or loss <u>of</u> ~~from the ordinary activities of~~ the discontinued operation for the period, together with the corresponding amounts for each prior period presented;

...

Effective date

...

<u>98N</u> <u>AASB 18 issued in June 2024 amended paragraphs 62A, 77 (and its related subheading) and 78 (and its related subheading) and paragraphs 81 and 98H. An entity shall apply those amendments when it applies AASB 18.</u>

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph 98H. New text is underlined.

<u>1</u> <u>When it issued AASB 18, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.</u>

AASB 116 *Property, Plant and Equipment* (August 2015)

Paragraph 51 is amended. Paragraph 81O is added. New text is underlined and deleted text is struck through.

Measurement after recognition

...

Depreciation

...

Depreciable amount and depreciation period

...

51 **The residual value and the useful life of an asset shall be reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with AASB 108 *Basis of Preparation of Financial Statements* ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~.**

...

Effective date

...

81O AASB 18 *Presentation and Disclosure in Financial Statements* issued in June 2024 amended paragraph 51. An entity shall apply those amendments when it applies AASB 18.

AASB 119 *Employee Benefits* (August 2015)

Paragraphs 25, 134, 158 and 171 are amended. Paragraph 180 is added. New text is underlined and deleted text is struck through.

Short-term employee benefits

...

Disclosure

25 Although this Standard does not require specific disclosures about short-term employee benefits, other Australian Accounting Standards may require disclosures. For example, AASB 124 requires disclosures about employee benefits for key management personnel. AASB 18 *Presentation and Disclosure in Financial Statements* ~~AASB 101 *Presentation of Financial Statements*~~ requires disclosure of employee benefits expense.

...

Post-employment benefits: defined benefit plans

...

Presentation

...

Components of defined benefit cost

134 Paragraph 120 requires an entity to recognise service cost and net interest on the net defined benefit liability (asset) in profit or loss. This Standard does not specify how an entity should present service cost and net interest on the net defined benefit liability (asset). An entity presents those components in accordance with AASB 18~~AASB 101~~.

...

Other long-term employee benefits

...

Disclosure

158 Although this Standard does not require specific disclosures about other long-term employee benefits, other Australian Accounting Standards may require disclosures. For example, AASB 124 requires disclosures about employee benefits for key management personnel. AASB 18 ~~AASB 101~~ requires disclosure of employee benefits expense.

Termination benefits

...

Disclosure

171 Although this Standard does not require specific disclosures about termination benefits, other Australian Accounting Standards may require disclosures. For example, AASB 124 requires disclosures about employee benefits for key management personnel. AASB 18 ~~AASB 101~~ requires disclosure of employee benefits expense.

Transition and effective date

...

180 AASB 18 issued in June 2024 amended paragraphs 25, 134, 158, 171, 173 and 175. An entity shall apply those amendments when it applies AASB 18.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*,' in paragraph 173. New text is underlined.

2 When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph 175. New text is underlined.

3 When it issued AASB 18, the AASB changed the title of AASB 108.

AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* (August 2015)

Paragraphs 16, 29 and 32 are amended and paragraph 49 is added. New text is underlined and deleted text is struck through.

Government grants

...

16 It is fundamental to the income approach that government grants should be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grant is intended to compensate. Recognition of government grants in profit or loss on a receipts basis is not in accordance with the accrual accounting assumption (see AASB 108 *Basis of Preparation of Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~) and would be acceptable only if no basis existed for allocating a grant to periods other than the one in which it was received.

...

Presentation of grants related to income

29 Grants related to income are classified and presented in the statement of profit or loss in accordance with the requirements in AASB 18 *Presentation and Disclosure in Financial Statements*. ~~presented as part of profit or loss,~~ They are included in profit or loss, either as income or as a deduction ~~separately or under a general heading such as 'Other income'; alternatively, they are deducted~~ in reporting the related expense.

...

Repayment of government grants

32 A government grant that becomes repayable shall be accounted for as a change in accounting estimate (see AASB 108~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~). Repayment of a grant related to income shall be applied first against any unamortised deferred credit recognised in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or when no deferred credit exists, the repayment shall be recognised immediately in profit or loss. Repayment of a grant related to an asset shall be recognised by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised in profit or loss to date in the absence of the grant shall be recognised immediately in profit or loss.

...

Effective date

...

49 AASB 18 issued in June 2024 amended paragraphs 16, 29 and 32. An entity shall apply those amendments when it applies AASB 18.

AASB 121 *The Effects of Changes in Foreign Exchange Rates* (August 2015)

Paragraph 48 is amended and paragraph 60N is added. New text is underlined and deleted text is struck through.

Use of a presentation currency other than the functional currency

...

Disposal or partial disposal of a foreign operation

48 On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, shall be reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognised (see AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~).

...

Effective date and transition

...

60N AASB 18 issued in June 2024 amended paragraph 48. An entity shall apply those amendments when it applies AASB 18.

AASB 124 *Related Party Disclosures* (July 2015)

Paragraphs 20 and IG11 are amended and paragraph 28D is added. New text is underlined and deleted text is struck through.

Disclosures

All entities

...

20 The classification of amounts payable to, and receivable from, related parties in the different categories as required in paragraph 19 is an extension of the disclosure requirement in <u>AASB 18 *Presentation and Disclosure in Financial Statements*</u> ~~AASB 101 *Presentation of Financial Statements*~~ for information to be <u>either</u> presented ~~either~~ in the statement of financial position or <u>disclosed</u> in the notes. The categories are extended to provide a more comprehensive analysis of related party balances and apply to related party transactions.

...

Effective date and transition

...

<u>28D</u> <u>AASB 18 issued in June 2024 amended paragraphs 20 and IG11. An entity shall apply those amendments when it applies AASB 18.</u>

...

Australian implementation guidance for not-for-profit public sector entities

...

Related party transactions

...

IG11 A related party transaction is a transfer of resources, services or obligations between an entity and its related party, regardless of whether a price is charged. In the not-for-profit public sector, many entities are likely to engage frequently with persons who are a related party of that entity in the course of delivering the entity's public service objectives, including the raising of funds (for example, rates and taxes) to meet those objectives. These related party transactions often occur on terms and conditions no different to those applying to the general public (for example, the Medicare rebate or public school fees). A not-for-profit public sector entity may determine that information about related party transactions occurring during the course of delivering its public service objectives and which occur on no different terms to that of the general public is not material for disclosure in its general purpose financial statements and accordingly need not be disclosed. Guidance relevant to an entity's assessment of the materiality of a disclosure to its general purpose financial statements is included in <u>AASB 18 *Presentation and Disclosure in Financial Statements*</u> ~~AASB 101 *Presentation of Financial Statements*~~ and AASB 108 <u>*Basis of Preparation of Financial Statements*</u>~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~. The factors described in paragraph 27 of the Standard may also assist an entity in making this determination.

AASB 127 *Separate Financial Statements* (August 2015)

A footnote is added to '(as defined in AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*),' in paragraph 18G. New text is underlined.

1 When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph 18J. New text is underlined.

2 When it issued AASB 18, the AASB changed the title of AASB 108.

AASB 128 *Investments in Associates and Joint Ventures* (August 2015)

Paragraph 10 is amended and paragraph 45L is added. New text is underlined and deleted text is struck through.

Equity method

10 Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognised in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. 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. 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 in the investor's other comprehensive income (see AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~).

...

Effective date and transition

...

45L AASB 18 issued in June 2024 amended paragraphs 10 and 45B. An entity shall apply those amendments when it applies AASB 18.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph 45B. New text is underlined.

1 When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

AASB 129 *Financial Reporting in Hyperinflationary Economies* (August 2015)

Paragraphs 8 and 25 are amended and paragraph 42 is added. New text is underlined and deleted text is struck through.

The restatement of financial statements

...

8 **The financial statements of an entity whose functional currency is the currency of a hyperinflationary economy, whether they are based on a historical cost approach or a current cost approach, shall be stated in terms of the measuring unit current at the end of the reporting period. The corresponding figures for the previous period required by AASB 18 *Presentation and Disclosure in Financial Statements* ~~AASB 101 *Presentation of Financial Statements*~~ and any information in respect of earlier periods shall also be stated in terms of the measuring unit current at the end of the reporting period. For the purpose of presenting comparative amounts in a different presentation currency, paragraphs 42(b) and 43 of AASB 121 *The Effects of Changes in Foreign Exchange Rates* apply.**

...

Historical cost financial statements

Statement of financial position

...

25 At the end of the first period and in subsequent periods, all components of owners' equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later. The movements for the period in owners' equity are disclosed in accordance with AASB 18~~AASB 101~~.

...

Effective date

...

42 AASB 18 issued in June 2024 amended paragraphs 8 and 25. An entity shall apply those amendments when it applies AASB 18.

AASB 132 *Financial Instruments: Presentation* (August 2015)

Paragraphs 34, 39–41 and AG29 are amended and paragraph 97U is added. New text is underlined and deleted text is struck through.

Presentation

...

Treasury shares (see also paragraph AG36)

...

34 The amount of treasury shares held is either presented ~~disclosed~~ separately ~~either~~ in the statement of financial position or the statement of changes in equity or disclosed in the notes, in accordance with AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~. An entity provides disclosure in accordance with AASB 124 *Related Party Disclosures* if the entity reacquires its own equity instruments from related parties.

Interest, dividends, losses and gains (see also paragraph AG37)

...

39 The amount of transaction costs accounted for as a deduction from equity in the period is presented in the statement of changes in equity or disclosed in the notes ~~separately~~ in accordance with AASB 18~~AASB 101~~.

40 Dividends classified as an expense may be presented in the statement(s) of profit or loss and other comprehensive income or disclosed in the notes either with interest on other liabilities or as a separate item. In addition to the requirements of this Standard, presentation and disclosure of interest and dividends is subject to the requirements of AASB 18 ~~AASB 101~~ and AASB 7. In some circumstances, because of the differences between interest and dividends with respect to matters such as tax deductibility, an entity may determine that it will present interest expenses separately from dividend expenses in the statement(s) of profit or loss and

other comprehensive income~~it is desirable to disclose them separately in the statement(s) of profit or loss and other comprehensive income~~. Disclosures of the tax effects are made in accordance with AASB 112.

41 Gains and losses related to changes in the carrying amount of a financial liability are recognised as income or expense in profit or loss even when they relate to an instrument that includes a right to the residual interest in the assets of the entity in exchange for cash or another financial asset (see paragraph 18(b)). Under AASB 18 ~~AASB 101~~ the entity presents any gain or loss arising from remeasurement of such an instrument separately in the statement of comprehensive income if such presentation is necessary to provide a useful structured summary of the entity's income and expenses~~when it is relevant in explaining the entity's performance~~.

...

Effective date and transition

...

97U AASB 18 issued in June 2024 amended paragraphs 34, 39–41, 96A, 96C and AG29. An entity shall apply those amendments when it applies AASB 18.

...

Appendix
Application guidance

...

Presentation

Liabilities and equity (paragraphs 15–27)

...

Treatment in consolidated financial statements

AG29 In consolidated financial statements, an entity presents non-controlling interests—ie the interests of other parties in the equity and income of its subsidiaries—in accordance with AASB 18 ~~AASB 101~~ and AASB 10. When classifying a financial instrument (or a component of it) in consolidated financial statements, an entity considers all terms and conditions agreed between members of the group and the holders of the instrument in determining whether the group as a whole has an obligation to deliver cash or another financial asset in respect of the instrument or to settle it in a manner that results in liability classification. When a subsidiary in a group issues a financial instrument and a parent or other group entity agrees additional terms directly with the holders of the instrument (eg a guarantee), the group may not have discretion over distributions or redemption. Although the subsidiary may appropriately classify the instrument without regard to these additional terms in its individual financial statements, the effect of other agreements between members of the group and the holders of the instrument is considered in order to ensure that consolidated financial statements reflect the contracts and transactions entered into by the group as a whole. To the extent that there is such an obligation or settlement provision, the instrument (or the component of it that is subject to the obligation) is classified as a financial liability in consolidated financial statements.

A footnote is added to the end of paragraph 96A. New text is underlined.

3A In June 2024 the AASB issued AASB 18 *Presentation and Disclosure in Financial Statements* and carried over these requirements in AASB 101 *Presentation of Financial Statements* to AASB 7 *Financial Instruments: Disclosures*.

A footnote is added to the end of paragraph 96C. New text is underlined.

3B When it issued AASB 18, the AASB carried over these requirements in AASB 101 to AASB 7.

Paragraph IE32, Example 7 in paragraph IE32, paragraph IE33 and Example 8 in paragraph IE33 in the Illustrative examples accompanying AASB 132 are amended. New text is underlined and deleted text is struck through.

Illustrative examples

...

Entities such as mutual funds and co-operatives whose share capital is not equity as defined in AASB 132

Example 7: Entities with no equity

IE32 The following example illustrates a format of a statement of comprehensive income and statement of financial position that may be used by entities such as mutual funds that do not have equity as defined in AASB 132 and that do not provide financing to customers as a main business activity. Other formats are possible.

Statement of comprehensive income for the year ended 31 December 20X1

	20X1	**20X0**
	CU	CU
Revenue	2,956	1,718
Expenses (classified by nature or function, in accordance with AASB 18)	(644)	(614)
Operating profit/profit before financing ~~Profit from operating activities~~	2,312	1,104
~~Finance costs~~		
Interest expenses~~– other finance costs~~	(47)	(47)
Distributions~~– distributions~~ to unitholders	(50)	(50)
Change in net assets attributable to unitholders	2,215	1,007

Statement of financial position at 31 December 20X1

		20X1		**20X0**
	CU	**CU**	**CU**	**CU**
ASSETS				
Non-current assets (classified in accordance with AASB 18 ~~AASB 101~~)	91,374		78,484	
Total non-current assets		91,374		78,484
Current assets (classified in accordance with AASB 18 ~~AASB 101~~)	1,422		1,769	
Total current assets		1,422		1,769
Total assets		92,796		80,253

Statement of financial position at 31 December 20X1

		20X1		20X0
	CU	CU	CU	CU
LIABILITIES				
Current liabilities (classified in accordance with AASB 18 ~~AASB 101~~)	647		66	
Total current liabilities		(647)		(66)
Non-current liabilities excluding net assets attributable to unitholders (classified in accordance with AASB 18~~AASB 101~~)	280		136	
		(280)		(136)
Net assets attributable to unitholders		91,869		80,051

Example 8: Entities with some equity

IE33 The following example illustrates a format of a statement of comprehensive income and statement of financial position that may be used by entities that do not provide financing to customers as a main business activity and whose share capital is not equity as defined in AASB 132. The entities' share capital is not classified as equity because the entity has an obligation to repay the share capital on demand but does not have all the features or meet the conditions in paragraphs 16A and 16B or paragraphs 16C and 16D. Other formats are possible.

Statement of comprehensive income for the year ended 31 December 20X1

	20X1	20X0
	CU	CU
Revenue	472	498
Expenses (classified by nature or function, in accordance with AASB 18)	(367)	(396)
Operating profit/profit before financing ~~Profit from operating activities~~	105	102
~~Finance costs~~		
Interest expenses~~– other finance costs~~	(4)	(4)
Distributions~~– distributions~~ to members	(50)	(50)
Change in net assets attributable to members	51	48

Statement of financial position at 31 December 20X1

		20X1		20X0
	CU	CU	CU	CU
ASSETS				
Non-current assets (classified in accordance with AASB 18 ~~AASB 101~~)	908		830	
Total non-current assets		908		830
Current assets (classified in accordance with AASB 18 ~~AASB 101~~)	383		350	
Total current assets		383		350
Total assets		1,291		1,180
LIABILITIES				
Current liabilities (classified in accordance with AASB 18 ~~AASB 101~~)	372		338	
Share capital repayable on demand	202		161	
Total current liabilities		(574)		(499)
Total assets less current liabilities		717		681
Non-current liabilities (classified in accordance with AASB 18~~AASB 101~~)	187		196	
		(187)		(196)
OTHER COMPONENTS OF EQUITY[(a)]				
Reserves eg revaluation surplus, retained earnings etc	530		485	
		530		485
		717		681
MEMORANDUM NOTE – Total members' interests				
Share capital repayable on demand		202		161
Reserves		530		485
		732		646

(a) In this example, the entity has no obligation to deliver a share of its reserves to its members.

AASB 133 *Earnings per Share* (August 2015)

Paragraphs 4A, 13 and 67A–68A are amended, paragraphs 73–73A are deleted and paragraphs 73B–73C and 74F are added. New text is underlined and deleted text is struck through.

Scope

...

4A **If an entity presents items of profit or loss in a ~~separate~~ statement of profit or loss separate from a statement presenting comprehensive income as described in paragraph 12(b) of AASB 18 *Presentation and Disclosure in Financial Statements*~~10A of AASB 101 *Presentation of Financial Statements*~~, it presents earnings per share only in the ~~that separate~~ statement of profit or loss.**

...

Measurement

Basic earnings per share

...

Earnings

...

13 All items of income and expense attributable to ordinary equity holders of the parent entity that are recognised in a period, including tax expense and dividends on preference shares classified as liabilities are included in the determination of profit or loss for the period attributable to ordinary equity holders of the parent entity (see AASB 18~~AASB 101~~).

...

Presentation

...

67A If an entity presents items of profit or loss in a ~~separate~~ statement of profit or loss separate from a statement presenting comprehensive income as described in paragraph 12(b) of AASB 18 ~~10A of AASB 101~~, it presents basic and diluted earnings per share, as required in paragraphs 66 and 67, in the ~~that separate~~ statement of profit or loss.

68 An entity that reports a discontinued operation shall either present ~~disclose~~ the basic and diluted amounts per share for the discontinued operation ~~either~~ in the statement of comprehensive income or disclose that information in the notes.

68A If an entity presents items of profit or loss in a ~~separate~~ statement of profit or loss separate from a statement presenting comprehensive income as described in paragraph 12(b) of AASB 18 ~~10A of AASB 101~~, it presents basic and diluted earnings per share for the discontinued operation, as required in paragraph 68, in the ~~that separate~~ statement of profit or loss or discloses that information in the notes.

...

Disclosure

...

73 [Deleted]~~If an entity discloses, in addition to basic and diluted earnings per share, amounts per share using a reported component of the statement of comprehensive income other than one required by this Standard, such amounts shall be calculated using the weighted average number of ordinary shares determined in accordance with this Standard. Basic and diluted amounts per share relating to such a component shall be disclosed with equal prominence and presented in the notes. An entity shall indicate the basis on which the numerator(s) is~~

~~(are) determined, including whether amounts per share are before tax or after tax. If a component of the statement of comprehensive income is used that is not reported as a line item in the statement of comprehensive income, a reconciliation shall be provided between the component used and a line item that is reported in the statement of comprehensive income.~~

73A [Deleted]~~Paragraph 73 applies also to an entity that discloses, in addition to basic and diluted earnings per share, amounts per share using a reported item of profit or loss, other than one required by this Standard.~~

73B In addition to presenting basic and diluted earnings per share required by this Standard, an entity is permitted to disclose in the notes additional amounts per share using a measure of performance as a numerator different from that required by paragraphs 12–18 and 33–35. However, such numerator(s) shall be the amount(s) attributable to ordinary equity holders of the parent entity of:

(a) a total or subtotal in paragraphs 69, 86 and 118 of AASB 18; or

(b) a management-defined performance measure as defined in paragraph 117 of AASB 18.

73C If, applying paragraph 73B, an entity discloses an additional amount per share, the entity shall:

(a) disclose the additional basic and diluted amounts per share with equal prominence.

(b) calculate the additional amount per share using the weighted average number of ordinary shares determined in accordance with this Standard.

(c) disclose the additional amount per share in the notes. That information cannot be presented in the primary financial statements.

(d) disclose the information required by paragraphs 121–125 of AASB 18 for the numerators that are management-defined performance measures.

Effective date

...

74F AASB 18 issued in June 2024 amended paragraphs 4A, 13 and 67A–68A, added paragraphs 73B–73C and deleted paragraphs 73–73A. An entity shall apply those amendments when it applies AASB 18.

AASB 134 *Interim Financial Reporting* (August 2015)

Paragraphs 4, 5, 7–10, 11A, 12, 20 and 24 are amended and paragraphs 16A(m) and 61 are added. New text is underlined and deleted text is struck through.

Definitions

4 The following terms are used in this Standard with the meanings specified:

…

Interim financial report **means a financial report containing either a complete set of financial statements (as described in AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~) or a set of condensed financial statements (as described in this Standard) for an interim period.**

Content of an interim financial report

5 AASB 18 ~~AASB 101~~ defines a complete set of financial statements as including the following components:

(a) a statement (or statements) of financial performance for the reporting period~~a statement of financial position as at the end of the period~~;

(b) a statement of financial position as at the end of the reporting period~~a statement of profit or loss and other comprehensive income for the period~~;

(c) a statement of changes in equity for the reporting period;

(d) a statement of cash flows for the reporting period;

(e) notes for the reporting period~~, comprising material accounting policy information and other explanatory information~~;

(ea) comparative information in respect of the preceding period as specified in paragraphs 31–32 of AASB 18~~38 and 38A of AASB 101~~; and

(f) a statement of financial position as at the beginning of the preceding period if required by paragraph 37 of AASB 18~~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 in accordance with paragraphs 40A–40D of AASB 101~~.

An entity may use titles for the statements other than those used in this Standard. For example, an entity may use the title 'balance sheet' instead of 'statement of financial position'.~~For example, an entity may use the title 'statement of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'.~~

...

7 Nothing in this Standard is intended to prohibit or discourage an entity from publishing a complete set of financial statements (as described in AASB 18~~AASB 101~~) in its interim financial report, rather than condensed financial statements and selected explanatory notes. Nor does this Standard prohibit or discourage an entity from including in condensed interim financial statements more than the minimum line items or selected explanatory notes as set out in this Standard. The recognition and measurement guidance in this Standard applies also to complete financial statements for an interim period, and such statements would include all of the disclosures required by this Standard (particularly the selected note disclosures in paragraph 16A) as well as those required by other Australian Accounting Standards.

Minimum components of an interim financial report

8 An interim financial report shall include, at a minimum, the following components:

(a) a condensed statement (or condensed statements) of financial performance~~financial position~~;

(b) a condensed statement of financial position~~or condensed statements of profit or loss and other comprehensive income~~;

(c) a condensed statement of changes in equity;

(d) a condensed statement of cash flows; and

(e) selected explanatory notes.

8A If an entity presents items of profit or loss in a ~~separate~~ statement of profit or loss separate from a statement presenting comprehensive income as described in paragraph 12(b) of AASB 18 ~~10A of AASB 101~~, it presents interim condensed information from the ~~that~~ statement of profit or loss.

Form and content of interim financial statements

9 If an entity publishes a complete set of financial statements in its interim financial report, the form and content of those statements shall conform to the requirements of AASB 18 ~~AASB 101~~ for a complete set of financial statements.

10 If an entity publishes a set of condensed financial statements in its interim financial report, those condensed statements shall include, at a minimum, each of the headings and subtotals that were included in its most recent annual financial statements and the selected explanatory notes as required by this Standard. In preparing condensed financial statements, an entity shall apply this Standard and also the requirements in paragraphs 41–45 of AASB 18 and in paragraphs 6A–6N of AASB 108 *Basis of Preparation of Financial Statements*. Additional line items or notes shall be included if their omission would make the condensed interim financial statements misleading.

...

11A If an entity presents items of profit or loss in a ~~separate~~ statement of profit or loss separate from a statement presenting comprehensive income as described in paragraph 12(b) of AASB 18 ~~10A of AASB 101~~, it presents basic and diluted earnings per share in the ~~that~~ statement of profit or loss.

12 AASB 18 ~~AASB 101~~ provides guidance on the structure of financial statements. The Illustrative Examples that accompany IFRS 18 illustrate ~~Implementation Guidance for IAS 1 illustrates~~ ways in which the statement of financial position, statement(s) of financial performance ~~comprehensive income~~ and statement of changes in equity may be presented.

...

Other disclosures

16A **In addition to disclosing significant events and transactions in accordance with paragraphs 15–15C, an entity shall include the following information, in the notes to its interim financial statements or elsewhere in the interim financial report. The following disclosures shall be given either in the interim financial statements or incorporated by cross-reference from the interim financial statements to some other statement (such as management commentary or risk report) that is available to users of the financial statements on the same terms as the interim financial statements and at the same time. If users of the financial statements do not have access to the information incorporated by cross-reference on the same terms and at the same time, the interim financial report is incomplete. The information shall normally be reported on a financial year-to-date basis.**

…

(m) the disclosures about management-defined performance measures required by paragraphs 121–125 of AASB 18.

...

Periods for which interim financial statements are required to be presented

20 **Interim reports shall include interim financial statements (condensed or complete) for periods as follows:**

…

(b) statement(s) of financial performance ~~statements of profit or loss and other comprehensive income~~ for the current interim period and cumulatively for the current financial year to date, with comparative statement(s) of financial performance ~~statements of profit or loss and other comprehensive income~~ for the comparable interim periods (current and year-to-date) of the immediately preceding financial year. As permitted by AASB 18~~AASB 101~~, an interim report may present for each period a statement (or statements) ~~or statements~~ of financial performance~~profit or loss and other comprehensive income~~.

...

Materiality

...

24 AASB 18 ~~AASB 101~~ defines material information and requires separate disclosure of material items, including (for example) discontinued operations, and AASB 108 ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~ requires disclosure of changes in accounting estimates, errors, and changes in accounting policies. The two Standards do not contain quantified guidance as to materiality.

...

Effective date

...

61 AASB 18 issued in June 2024 amended paragraphs 4, 5, 7–10, 11A, 12, 20, 24, 56 and 58-60 and added paragraph 16A(m). An entity shall apply those amendments when it applies AASB 18. In interim financial statements in the first year of applying AASB 18, an entity shall apply paragraphs C4–C6 of Appendix C of AASB 18.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph 56. New text is underlined.

3A When it issued AASB 18, the AASB changed the title of AASB 108.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph 58. New text is underlined.

3B When it issued AASB 18, the AASB changed the title of AASB 108.

A footnote is added to the end of paragraph 59. New text is underlined.

3C When it issued AASB 18, the AASB carried over the definition of 'material' in AASB 101 to AASB 18.

A footnote is added to the end of paragraph 60. New text is underlined.

3D When it issued AASB 18, the AASB carried over the requirements to disclose material accounting policy information in AASB 101 to AASB 108.

AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* (August 2015)

A footnote is added to the end of paragraph 104. New text is underlined.

3 In June 2024 the AASB issued AASB 18 *Presentation and Disclosure in Financial Statements* and carried over the definition of 'material' in AASB 101 *Presentation of Financial Statements* to AASB 18.

AASB 138 *Intangible Assets* (August 2015)

Paragraph 102 is amended and paragraph 130N is added. New text is underlined and deleted text is struck through.

Intangible assets with finite useful lives

...

Residual value

...

102 An estimate of an asset's residual value is based on the amount recoverable from disposal using prices prevailing at the date of the estimate for the sale of a similar asset that has reached the end of its useful life and has operated under conditions similar to those in which the asset will be used. The residual value is reviewed at least at each financial year-end. A change in the asset's residual value is accounted for as a change in an accounting estimate in accordance with AASB 108 *Basis of Preparation of Financial Statements* ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~.

...

Transitional provisions and effective date

…

130N AASB 18 *Presentation and Disclosure in Financial Statements* issued in June 2024 amended paragraph 102. An entity shall apply those amendments when it applies AASB 18.

AASB 140 *Investment Property* (August 2015)

Paragraph 31 is amended and paragraph 85I is added. New text is underlined and deleted text is struck through.

Measurement after recognition

Accounting policy

...

31 AASB 108 <u>*Basis of Preparation of Financial Statements*</u> ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~ states that a voluntary change in accounting policy shall be made only if the change results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows. It is highly unlikely that a change from the fair value model to the cost model will result in a more relevant presentation.

...

Effective date

...

<u>85I</u> <u>AASB 18 *Presentation and Disclosure in Financial Statements* issued in June 2024 amended paragraph 31. An entity shall apply those amendments when it applies AASB 18.</u>

AASB 141 *Agriculture* (August 2015)

Paragraphs 50 and 53 are amended and paragraph 66 is added. New text is underlined and deleted text is struck through.

Disclosure

General

...

50 **An entity shall <u>disclose</u> ~~present~~ a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period. The reconciliation shall include:**

...

53 Agricultural activity is often exposed to climatic, disease and other natural risks. If an event occurs that gives rise to a material item of income or expense, the nature and amount of that item are disclosed in accordance with <u>AASB 18 *Presentation and Disclosure in Financial Statements*</u>~~AASB 101 *Presentation of Financial Statements*~~. Examples of such an event include an outbreak of a virulent disease, a flood, a severe drought or frost, and a plague of insects.

...

Effective date and transition

...

<u>66</u> <u>AASB 18 issued in June 2024 amended paragraphs 50, 53 and 59. An entity shall apply those amendments when it applies AASB 18.</u>

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph 59. New text is underlined.

1 When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

AASB 1023 *General Insurance Contracts* (July 2004)

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph 18.2. New text is underlined. This amendment applies only if an entity applies AASB 18 early – to a period for which AASB 1023 is applicable to the entity. AASB 1023 is fully superseded by AASB 17 for periods beginning on or after 1 July 2026.

1 When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

AASB 1039 *Concise Financial Reports* (August 2008)

Paragraphs 18, 19 and 27 are amended. New text is underlined and deleted text is struck through.

Financial Statements

18 **A concise financial report shall include the following financial statements:**

(a) **a statement (or statements) of financial performance ~~a statement of profit or loss and other comprehensive income~~ for the annual reporting period;**

…

19 In accordance with paragraph 12 of AASB 18 *Presentation and Disclosure in Financial Statements*, an entity shall present its statement(s) of financial performance as either:

(a) a single statement of profit or loss and other comprehensive income, with profit or loss and other comprehensive income presented in two sections; or

(b) a statement of profit or loss and a separate statement presenting comprehensive income that begins with profit or loss.

~~In accordance with paragraph 10A of AASB 101 *Presentation of Financial Statements*, an entity may present all items of income and expense recognised in a period in a single statement of profit or loss and other comprehensive income or present the profit or loss section in a separate statement of profit or loss.~~

…

27 In most situations, the content of the discussion and analysis would cover at least the following areas:

(a) in relation to the statement (or statements) of financial performance~~statement of profit or loss and other comprehensive income~~:

…

AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (October 2007)

Paragraphs 15, 27, 29, 33, 34A, 42 and 47 are amended. New text is underlined and deleted text is struck through.

Compliance with Australian Accounting Standards and the ABS GFS Manual

…

15 Certain Australian Accounting Standards do not prescribe specific treatments for all items and issues within their scope. An example is ~~AASB 101~~ AASB 18, which requires additional line items~~, headings~~ and subtotals to be presented~~ when such presentation is relevant to an understanding of the entity's financial position~~ if such presentations are necessary for a primary financial statement to provide a useful structured summary. The ABS GFS Manual specifies principles and rules for the presentation of a balance sheet prepared for GFS purposes. Those ABS GFS Manual principles and rules are required to be applied in the presentation of the whole of government statement of financial position and the GGS statement of financial position to the extent that they do not conflict with AASB 18~~AASB 101~~.

…

Whole of government and GGS statements of financial position

27 The whole of government statement of financial position and the GGS statement of financial position, and notes thereto, shall be presented in a manner consistent with the requirements in AASB 18 ~~AASB 101~~.

…

Whole of government and GGS statements of comprehensive income

29 The whole of government statement of comprehensive income and GGS statement of comprehensive income, and notes thereto, shall be presented in a manner consistent with the requirements for a single statement of comprehensive income in AASB 18~~AASB 101~~.

…

33 Under AASB 18~~AASB 101~~, an entity may present a single statement of profit or loss and other comprehensive income, with profit or loss and other comprehensive income presented in two sections. The sections shall be presented together, with the profit or loss section presented first followed directly by the other comprehensive income section. An entity may present the profit or loss section in a separate statement of profit or loss. If so, the separate statement of profit or loss shall immediately precede the statement presenting comprehensive income. This Standard requires a single statement of profit or loss and other comprehensive income option to be adopted, and therefore requires all recognised income and expenses to be included in a single statement that presents the comprehensive result (total change in net worth [before transactions with owners in their capacity as owners, where they exist]).

…

Whole of government and GGS statements of changes in equity

34A The whole of government statement of changes in equity and the GGS statement of changes in equity, and notes thereto, shall be presented in a manner consistent with the requirements in AASB 18 ~~AASB 101~~.

…

Notes

…

Other explanatory notes

…

42 In relation to the requirements in paragraph 41(a)(i), differences in the key fiscal aggregates determined under the ABS GFS Manual and pursuant to paragraph 16 of this Standard arise from differences in definition,

recognition, measurement and certain classification requirements. Each difference gives rise to the need for disclosure of a reconciliation and an explanation of the difference. Examples of such differences include:

…

(b) in a whole of government context only:

…

(ii) outgoing dividends – under the ABS GFS Manual, outgoing dividends are classified as an expense, whereas under AASB 18~~AASB 101~~ a dividend is treated as a distribution to owners.

…

47 Paragraph 113 of AASB 18 ~~112 of AASB 101~~ requires additional information to be ~~provided~~ disclosed in notes that is not presented in the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows but is necessary for ~~relevant to~~ an understanding of them. Consistent with this, the components of aggregate numbers presented in those statements, including key fiscal aggregates, are disclosed in the notes where relevant.

AASB 1052 *Disaggregated Disclosures* (December 2007)

Paragraph 20 is amended. New text is underlined and deleted text is struck through.

Disclosure of service costs and achievements by government departments

…

Identifying major activities of government departments

20 Judgement is required to identify those activities of a government department that warrant separate disclosure in the complete set of financial statements. Exercising this judgement involves a consideration of the following:

…

(d) the concept of materiality. AASB 18 *Presentation and Disclosure in Financial Statements* ~~AASB 101 *Presentation of Financial Statements*~~ defines information as material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

AASB 1053 *Application of Tiers of Australian Accounting Standards* (June 2010)

Paragraph 18A is amended. New text is underlined and deleted text is struck through.

Application of AASB 1

…

First-time Adoption of Australian Accounting Standards

18A When applying Tier 2 reporting requirements for the first time, an entity that prepared its most recent previous financial statements in the form of special purpose financial statements:

(a) without applying, or only selectively applying, applicable recognition and measurement requirements of Australian Accounting Standards, including, if a parent entity, without

presenting consolidated financial statements prepared in accordance with AASB 10 *Consolidated Financial Statements* (unless exempt), shall apply either:

(i) all the relevant requirements of AASB 1; or

(ii) Tier 2 reporting requirements directly using the requirements in AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~;

…

In paragraph 9, footnote 1 is amended. New text is underlined and deleted text is struck through.

1 Under AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~, a complete set of financial statements includes 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

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph E3. New text is underlined.

1 When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

AASB 1054 *Australian Additional Disclosures* (May 2011)

Paragraphs 9B and 17 are amended. Paragraphs IG1, IG5, IG14 and IG21 in the Implementation guidance accompanying AASB 1054 are amended. New text is underlined and deleted text is struck through.

General Purpose or Special Purpose Financial Statements

Information about special purpose financial statements

…

9B *Implementation guidance and illustrative examples for not-for-profit private sector entities* accompanies this Standard. It illustrates the application of the requirements in paragraph 9A and their relationship to the requirements in ~~AASB 101 *Presentation of Financial Statements*~~ AASB 18 *Presentation and Disclosure in Financial Statements* for the disclosure of an entity's material accounting policy information.

…

IFRS Standard Not Yet Issued in Australia

17 When an IFRS Accounting Standard has been issued by the International Accounting Standards Board but the equivalent Australian Accounting Standard has yet to be issued by the AASB, an entity intending to comply with IFRS Accounting Standards shall disclose the information specified in paragraphs 30 and 31 of AASB 108 *Basis of Preparation of Financial Statements* ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~ in relation to that IFRS Accounting Standard.

…

Implementation guidance and illustrative examples for not-for-profit private sector entities

…

IG1 The AASB has prepared this guidance and examples to explain and illustrate the application of the requirements in paragraph 9A of this Standard and their relationship to the requirements in ~~AASB 101 *Presentation of Financial Statements*~~ AASB 18 *Presentation and Disclosure in Financial Statements* for the disclosure of a not-for-profit private sector entity's material accounting policy information. These requirements apply to entities applying this Standard, including those required by legislation to comply. An entity preparing special purpose financial statements that is not specifically required to comply with AASB 1054 may elect not to comply with these requirements, however, is encouraged to do so.

Disclosure of accounting policy information

IG5 Not-for-profit private sector entities required to apply AASB 1054 in their special purpose financial statements (including those lodged with ASIC or the ACNC), whether consolidated or unconsolidated, are also required to apply ~~AASB 101~~ AASB 18 and AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~, including:

(a) paragraph ~~15 of AASB 101~~ 6A of AASB 108, which requires the fair presentation of financial statements;

…

(c) paragraph ~~117 of AASB 101~~ 27A of AASB 108, which requires disclosure of material accounting policy information comprising the measurement basis (or bases) and the other accounting policies used that are relevant to an understanding of the financial statements.

…

Application of the consolidation and equity accounting requirements

…

IG14 The following examples illustrate how an entity might apply the disclosure requirements in paragraph 9A of this Standard within the context of the requirements in ~~AASB 101~~ AASB 18 and AASB 108 referred to in paragraph IG5 above to the special purpose financial statements they prepare, on the basis of the limited facts presented. Although some aspects of the examples might be present in actual fact patterns, all relevant facts and circumstances of a particular fact pattern need to be evaluated when applying disclosure requirements of this Standard.

…

Implementation guidance and illustrative examples for certain for-profit private sector entities

…

Disclosure of accounting policies

…

IG21 The disclosure of this information may be required by another Australian Accounting Standard, such as ~~AASB 101 *Presentation of Financial Statements*~~ AASB 18 *Presentation and Disclosure in Financial Statements* or AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~. Where this is the case, the entity also complies with the requirements of the other Standard.

AASB 1055 *Budgetary Reporting* (March 2013)

Paragraphs 6 and 10 are amended. New text is underlined and deleted text is struck through.

Budgetary Information

6 Where an entity's budgeted:

(a) statement of financial position;

(b) statement (or statements) of financial performance~~statement of profit or loss and other comprehensive income~~;

…

10 Under AASB 18 *Presentation and Disclosure in Financial Statements* ~~AASB 101 *Presentation of Financial Statements*~~ an entity ~~may~~ shall present ~~a~~ its statement(s) of financial performance ~~profit or loss and other comprehensive income~~ as either:

(a) a single statement of profit or loss and other comprehensive income, with profit or loss and other comprehensive income presented in two sections; or

(b) ~~the profit or loss section in~~ a ~~separate~~ statement of profit or loss~~,~~ and a separate statement presenting comprehensive income that begins with profit or loss.

AASB 1049 *Whole of Government and General Government Sector Financial Reporting* limits the presentation of the statement of financial performance ~~profit or loss and other comprehensive income~~ of a GGS and a whole of government to the format described in (a) above. Accordingly, if a GGS or whole of government budget presented to parliament is in the format described in (b), in accordance with paragraph 6(e) of this Standard, that budgeted information would need to be restated for disclosure purposes to align with the format described in (a).

AASB 1056 *Superannuation Entities* (December 2023)

Paragraphs AG3, AG5, AG7, AG8, AG11, AG17, AG21, AG22 and AG38 are amended. New text is underlined and deleted text is struck through.

Appendix B
Application guidance

…

Compliance with principles and requirements in other Australian Accounting Standards (paragraphs 6 and 7)

…

AG3 When the recognition, measurement and disclosure principles and requirements in this Standard address the same items or events as the recognition, measurement and disclosure principles and requirements in other Australian Accounting Standards, a superannuation entity need not apply those other Standards. For example, a superannuation entity applying this Standard would

…

(b) disclose information about expenses in accordance with paragraphs 9 and 22 and need not disclose information in accordance with paragraphs 78–83 and B80 of AASB 18 *Presentation and Disclosure in Financial Statements* ~~99-105 of AASB 101 *Presentation of Financial Statements*~~ regarding an analysis of expenses

…

AG5 When a superannuation entity applies the recognition and measurement principles and requirements in other Australian Accounting Standards, the entity would also apply any relevant disclosure principles and requirements contained in those other Standards unless they are specifically modified by this Standard. Australian Accounting Standards that contain disclosure principles and requirements, some or all of which a superannuation entity would apply, when relevant, include but are not limited to the following:

…

(c) AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~;

…

(e) AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~;

…

Presentation of financial statements (paragraphs 8 to 12)

AG7 Consistent with AASB 18~~AASB 101~~, alternative titles can be used for the financial statements to suit the circumstances. For example, the statement of changes in equity might be better described as a statement of changes in reserves in some circumstances.

Statement of financial position

AG8 Where a superannuation entity's total assets differs from its total liabilities (including defined contribution member liabilities, defined benefit member liabilities and any obligations to employer-sponsors), the difference is classified as equity and presented in accordance with applicable Australian Accounting Standards. In these circumstances, consistent with paragraph 24 of AASB 18~~55 of AASB 101~~, the entity may need to present additional line items~~, headings~~ and subtotals in the statement of financial position when such presentation is necessary for ~~relevant to~~ an understanding of the entity's financial position.

…

AG11 Superannuation entities would be expected to present the various classes of their investments in a meaningful way, consistent with the requirements of AASB 18~~AASB 101~~.

…

Income statement

…

AG17 A superannuation entity that presents an income statement in accordance with this Standard does not present a single statement of profit or loss and comprehensive income, or a statement of profit or loss and a separate ~~income~~ statement presenting ~~and statement of~~ comprehensive income, in accordance with AASB 18~~AASB~~.

…

Statement of changes in equity/reserves

AG21 Under this Standard, the interests of members of superannuation entities are liabilities and are not regarded as meeting the definition of an 'equity instrument' in paragraph 11 of AASB 132 *Financial Instruments: Presentation*, which is "any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities". Superannuation entities would not disclose 'equity' information equivalent to that required by paragraphs 130(a) and 131 of AASB 18 ~~79(a) and 80 of AASB 101~~, in relation to member liabilities.

AG22 Paragraph 7 of AASB 18 ~~6 of AASB 101~~ notes: entities that do not have equity as defined in AASB 132 may need to adapt the financial statement presentation of members' interests. Consistent with this notion, superannuation entities need to exercise judgement in preparing the statement of changes in equity/reserves, including the title and content of that statement.

…

Disclosures (paragraphs 20 to 32)

Comparative information

AG38 In complying with the comparative information requirements of AASB 18 ~~AASB 101~~ a superannuation entity discloses:

…

AASB 1057 *Application of Australian Accounting Standards* (July 2015)

Paragraphs 7 and 20C are amended. New text is underlined and deleted text is struck through.

Application of Australian Accounting Standards

…

7 **Except as specified in paragraph 20C, <u>AASB 18 *Presentation and Disclosure in Financial Statements*</u>~~AASB 101 *Presentation of Financial Statements*~~, AASB 107 *Statement of Cash Flows*, AASB 108 <u>*Basis of Preparation of Financial Statements*</u> ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~ and AASB 1048 *Interpretation of Standards* apply to:**

(a) each not-for-profit entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act;

(b) general purpose financial statements of each not-for-profit entity that is a reporting entity;

(c) each entity that elects to prepare financial statements that are, or are held out to be, general purpose financial statements;

(d) for-profit private sector entities that are required by legislation to prepare financial statements that comply with either Australian Accounting Standards or accounting standards; and

(e) other for-profit private sector entities that are required only by their constituting document or another document to prepare financial statements that comply with Australian Accounting Standards, provided that the relevant document was created or amended on or after 1 July 2021.

…

20C **Entities applying AASB 1060 are not required to apply the following Australian Accounting Standards:**

(a) AASB 7 *Financial Instruments: Disclosures*;

(b) AASB 12 *Disclosure of Interests in Other Entities*;

<u>(ba) AASB 18 *Presentation and Disclosure in Financial Statements*;</u>

(c) AASB 101 *Presentation of Financial Statements*;

(d) AASB 107 *Statement of Cash Flows*; and

(e) AASB 124 *Related Party Disclosures*.

AASB 1058 *Income of Not-for-Profit Entities* (December 2016)

Paragraphs 37 and B32 are amended. New text is underlined and deleted text is struck through.

Disclosure

…

Restrictions

37 An entity is encouraged to disclose information about externally imposed restrictions that limit or direct the purpose for which resources controlled by the entity may be used. For example, an entity may elect to disclose an explanation of the judgements used in determining whether funds are restricted and any of, or any combination of, the following:

(a) assets to be used for specified purposes;

(b) components of equity divided into restricted and unrestricted amounts; and

(c) total comprehensive income divided into restricted and unrestricted amounts – either on the face of the statement (or statements) of financial performance ~~statement of profit or loss and other comprehensive income~~ or in the notes.

…

Appendix B
Application guidance

…

Volunteer services (paragraphs 18–22)

B32 A not-for-profit entity that makes an accounting policy choice to recognise volunteer services under paragraph 19 shall only change its accounting policy if the change meets the criteria in AASB 108 *Basis of Preparation of Financial Statements* ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~ (paragraph 14). That is, an entity can change an accounting policy only if the change:

…

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph C3. New text is underlined.

1 When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

AASB 1059 *Service Concession Arrangements: Grantors* (July 2017)

The heading immediately preceding paragraph 28 and paragraphs B68 and AusE1 are amended. Paragraph 28 is not amended but is included for ease of reference. Paragraph B80 is deleted. Paragraphs IG12 and IG13 in the Implementation guidance accompanying AASB 1059 are amended. New text is underlined and deleted text is struck through.

Presentation and disclosure (paragraph~~s~~ B79~~–B80~~)

28 The objective of the disclosure requirements is for an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements. To achieve this, an entity shall consider disclosing qualitative and quantitative information about its service concession arrangements, including the following:

…

Appendix B
Application guidance

…

Recognition and measurement of liabilities (paragraphs 11–25)

…

Financial liability model

…

Subsequent measurement

…

B68 The finance charge (if any) related to the liability in a service concession arrangement is presented consistently with other finance charges in accordance with AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~, AASB 123 *Borrowing Costs* and AASB 7 *Financial Instruments: Disclosures*.

…

Presentation and disclosure (paragraphs 28–29)

…

~~B80 AASB 101 requires finance costs (if any) to be presented separately in the statement of profit and loss and other comprehensive income. Finance charges (if any) determined in accordance with paragraph B67 that are expensed are included in this item.~~

…

Appendix E
Australian simplified disclosures for Tier 2 entities

This appendix is an integral part of the Standard.

AusE1 Paragraphs 28, 29~~,~~ and B79~~ and B80~~ do not apply to entities preparing general purpose financial statements that apply AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

References to Australian Accounting Standards that apply to typical types of arrangements involving an asset combined with provision of a service

…

IG12 The shaded text shows arrangements within the scope of AASB 1059.

Category	Lease	Service provision		Sale
…				
Relevant Accounting Standards	AASB 16	AASB 18 ~~AASB 101~~	This Standard/ AASB 116/ AASB 138	AASB 116/ AASB 138 (derecognition)

IG13 The table below compares the key features of various common types of arrangements for private sector participation in the provision of public services. This table presents simple arrangements, however the classification of an arrangement as a construction contract with a service outsourcing contract, lease, service concession arrangement, or sale or privatisation will depend on the specific terms and conditions of the arrangement.

Features	**Construction contract with service outsourcing contract**[1]	**Lease**[2] (grantor is lessor)	**Service concession arrangement**[3]	**Sale/Privatisation**[4]
…				
Relevant Accounting Standards	AASB 116 ~~AASB 101~~ AASB 18	AASB 16	AASB 1059	AASB 116 / AASB 138

Features	Construction contract with service outsourcing contract[1]	Lease[2] (grantor is lessor)	Service concession arrangement[3]	Sale/Privatisation[4]
…				

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph C3(a). New text is underlined.

1 When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph IE45. New text is underlined.

1 When it issued AASB 18, the AASB changed the title of AASB 108.

AASB Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities* (July 2015)

Below the heading 'References', the references to AASB 101 and AASB 108 are amended. Paragraphs 6 and 8 are amended and paragraph 9C is added. New text is underlined and deleted text is struck through.

References

- AASB 16 *Leases*
- AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~
- AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~
- AASB 116 *Property, Plant and Equipment*
- AASB 123 *Borrowing Costs*
- AASB 136 *Impairment of Assets*
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*

...

Consensus

...

6 If the related asset is measured using the revaluation model:

…

(d) AASB 18 ~~AASB 101~~ requires items of other comprehensive income to be presented as line items in the statement presenting comprehensive income~~disclosure in the statement of comprehensive income of each component of other comprehensive income or expense~~. In complying with this requirement, the change in the revaluation surplus arising from a change in the liability shall be separately identified and presented ~~disclosed~~ as such.

...

8 The periodic unwinding of the discount shall be recognised in profit or loss as interest expense from liabilities other than those that arise from transactions that involve only the raising of finance ~~a finance cost~~ as it occurs

and classified – applying paragraph 61 of AASB 18 – in the financing category of the statement of profit or loss. Capitalisation under AASB 123 is not permitted.

Effective date

...

9C AASB 18 issued in June 2024 amended paragraphs 6 and 8. An entity shall apply those amendments when it applies AASB 18.

…

Paragraphs IE4 and IE5 of Example 1 that accompany AASB Interpretation 1 are amended. New text is underlined and deleted text is struck through.

Illustrative examples

...

Example 1: Cost model

...

IE4 Following this adjustment, the carrying amount of the asset is CU82,000 (CU120,000 – CU8,000 – CU30,000), which will be depreciated over the remaining 30 years of the asset's life giving a depreciation expense for the next year of CU2,733 (CU82,000 ÷ 30). The next year's increase in the liability ~~finance cost~~ for the unwinding of the discount will be CU415 (CU8,300 × 5 per cent).

IE5 If the change in the liability had resulted from a change in the discount rate, instead of a change in the estimated cash flows, the accounting for the change would have been the same but the next year's increase in the liability for the unwinding of the discount ~~finance cost~~ would have reflected the new discount rate.

AASB Interpretation 5 *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds* (August 2015)

Below the heading 'References', the reference to AASB 108 is amended. New text is underlined and deleted text is struck through.

References

- AASB 9*Financial Instruments*
- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~
- AASB128 *Investments in Associates and Joint Ventures*
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*

AASB Interpretation 6 *Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment* (August 2015)

Below the heading 'References', the reference to AASB 108 is amended. New text is underlined and deleted text is struck through.

References

- AASB 108 Basis of Preparation of Financial Statements~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*

AASB Interpretation 12 *Service Concession Arrangements* (August 2015)

Below the heading 'References', the reference to AASB 108 is amended. New text is underlined and deleted text is struck through.

References

- *Framework for the Preparation and Presentation of Financial Statements*[1]
- AASB 1 *First-time Adoption of Australian Accounting Standards*
- AASB 7 *Financial Instruments: Disclosures*
- AASB 9 *Financial Instruments*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~
- AASB 116 *Property, Plant and Equipment*
- AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*
- AASB 123 *Borrowing Costs*
- AASB 132 *Financial Instruments: Presentation*
- AASB 136 *Impairment of Assets*
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*
- AASB 138 *Intangible Assets*
- Interpretation 129 *Service Concession Arrangements: Disclosures*

Footnote 2A is added to 'Table 1.5 *Statement of comprehensive income (currency units)*' of Example 1, footnote 2B is added to 'Table 2.5 *Statement of comprehensive income (currency units)*' of Example 2 and footnote 2C is added to 'Table 3.8 *Statement of comprehensive income (currency units)*' of Example 3, which accompany AASB Interpretation 12. New text is underlined.

2A This statement of comprehensive income does not aim to illustrate the requirements of AASB 18 *Presentation and Disclosure in Financial Statements* for the structure of the statement of profit or loss.

2B This statement of comprehensive income does not aim to illustrate the requirements of AASB 18 for the structure of the statement of profit or loss.

2C This statement of comprehensive income does not aim to illustrate the requirements of AASB 18 for the structure of the statement of profit or loss.

AASB Interpretation 14 *AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* (August 2015)

Below the heading 'References', the references to AASB 101 and AASB 108 are amended. Paragraph 10 is amended and paragraph 27D is added. New text is underlined and deleted text is struck through.

References

- AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~
- AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~
- AASB 119 *Employee Benefits*
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*

...

Consensus

Availability of a refund or reduction in future contributions

...

10 In accordance with AASB 108~~AASB 101~~, the entity shall disclose information about the key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of the net asset or liability recognised in the statement of financial position. This might include disclosure of any restrictions on the current realisability of the surplus or disclosure of the basis used to determine the amount of the economic benefit available.

...

Effective date

...

27D AASB 18 issued in June 2024 amended paragraph 10. An entity shall apply those amendments when it applies AASB 18.

AASB Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* (August 2015)

Below the heading 'References', the reference to AASB 108 is amended. New text is underlined and deleted text is struck through.

References

- AASB 9 *Financial Instruments*
- AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~
- AASB 121 *The Effects of Changes in Foreign Exchange Rates*

AASB Interpretation 17 *Distributions of Non-cash Assets to Owners* (August 2015)

Below the heading 'References', the reference to AASB 101 is amended. Paragraphs 1 and 2 are amended and paragraph 21 is added. New text is underlined and deleted text is struck through.

References

- AASB 3 *Business Combinations*
- AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*
- AASB 7 *Financial Instruments: Disclosures*
- AASB 10 *Consolidated Financial Statements*
- AASB 13 *Fair Value Measurement*
- AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements* (as revised in 2007)~~
- AASB 110 *Events after the Reporting Period*

Background

1 Sometimes an entity distributes assets other than cash (non-cash assets) as dividends to its owners~~[1]~~ acting in their capacity as owners. In those situations, an entity may also give its owners a choice of receiving either non-cash assets or a cash alternative. Constituents have requested guidance on how an entity should account for such distributions.

~~1 Paragraph 7 of AASB 101 defines owners as holders of instruments classified as equity~~

2 Australian Accounting Standards do not provide guidance on how an entity should measure distributions to its owners (commonly referred to as dividends). AASB 18 ~~AASB 101~~ requires an entity to present details of dividends recognised as distributions to owners ~~either~~ in the statement of changes in equity or to disclose them in the notes ~~to the financial statements~~.

...

Effective date

...

21 AASB 18 issued in June 2024 amended paragraphs 1 and 2. An entity shall apply those amendments when it applies AASB 18.

AASB Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments* (August 2015)

Below the heading 'References', the references to AASB 101 and AASB 108 are amended. Paragraph 11 is amended and paragraph 18 is added. New text is underlined and deleted text is struck through.

References

- *Framework for the Preparation and Presentation of Financial Statements*[1]
- AASB 2 *Share-based Payment*
- AASB 3 *Business Combinations*
- AASB 9 *Financial Instruments*
- AASB 13 *Fair Value Measurement*
- AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~
- AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~
- AASB 132 *Financial Instruments: Presentation*

...

Consensus

...

11 An entity shall present ~~disclose~~ a gain or loss recognised in accordance with paragraphs 9 and 10 as a separate line item in the statement of profit or loss or disclose it in the notes.

…

Effective date and transition

...

18 AASB 18 *Presentation and Disclosure in Financial Statements* issued in June 2024 amended paragraph 11. An entity shall apply those amendments when it applies AASB 18.

AASB Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine* (August 2015)

Below the heading 'References', the reference to AASB 101 is amended. New text is underlined and deleted text is struck through.

References

- *Framework for the Preparation and Presentation of Financial Statements*[1]
- AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~
- AASB 102 *Inventories*
- AASB 116*Property, Plant and Equipment*
- AASB 138 *Intangible Assets*

AASB Interpretation 21 *Levies* (August 2015)

Below the heading 'References', the references to AASB 101 and AASB 108 are amended. New text is underlined and deleted text is struck through.

References

- AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~
- AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~
- AASB 112 *Income Taxes*
- AASB 120 *Accounting for Government~~s~~ Grants and Disclosures of Government Assistance*
- AASB 124 *Related Party Disclosures*
- AASB 134 *Interim Financial Reporting*
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*
- AASB Interpretation 6 *Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment*

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph A2. New text is underlined.

1 When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

AASB Interpretation 22 *Foreign Currency Transactions and Advance Consideration* (February 2017)

Below the heading 'References', the reference to AASB 108 is amended. New text is underlined and deleted text is struck through.

References

- *Framework for the Preparation and Presentation of Financial Statements*[1]
- AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~
- AASB 121 *The Effects of Changes in Foreign Exchange Rates*

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*;' in paragraph A2(a). New text is underlined.

2 When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

AASB Interpretation 23 *Uncertainty over Income Tax Treatments* (July 2017)

Below the heading 'References', the references to AASB 101 and AASB 108 are amended. Paragraphs 14 and A4 are amended and paragraph B1A is added. New text is underlined and deleted text is struck through.

References

- ~~AASB 101 *Presentation of Financial Statements*~~
- AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~
- AASB 110 *Events after the Reporting Period*
- AASB 112 *Income Taxes*

...

Consensus

...

Changes in facts and circumstances

...

14 An entity shall reflect the effect of a change in facts and circumstances or of new information as a change in accounting estimate applying AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~. An entity shall apply AASB 110 *Events after the Reporting Period* to determine whether a change that occurs after the reporting period is an adjusting or non-adjusting event.

...

Appendix A
Application Guidance

…

Disclosure

A4 When there is uncertainty over income tax treatments, an entity shall determine whether to disclose:

(a) judgements made in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates applying paragraph 27G of AASB 108~~122 of AASB 101 *Presentation of Financial Statements*~~; and

(b) information about the assumptions and estimates made in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates applying paragraphs 31A–31E of AASB 108~~125–129 of AASB 101~~.

...

Appendix B
Effective date and transition

…

Effective date

...

B1A AASB 18 *Presentation and Disclosure in Financial Statements* issued in June 2024 amended paragraphs 14 and A4. An entity shall apply those amendments when it applies AASB 18.

AASB Interpretation 107 *Introduction of the Euro* (August 2015)

Below the heading 'References', the references to AASB 101 and AASB 108 are amended. New text is underlined and deleted text is struck through.

References

- AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~
- AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~
- AASB 110 *Events after the Reporting Period*
- AASB 121 *The Effects of Changes in Foreign Exchange Rates*

AASB Interpretation 110 *Government Assistance – No Specific Relation to Operating Activities* (August 2015)

Below the heading ‘References’, the reference to AASB 108 is amended. New text is underlined and deleted text is struck through.

References

- AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~
- AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*

AASB Interpretation 125 *Income Taxes – Changes in the Tax Status of an Entity or its Shareholders* (August 2015)

Below the heading ‘References’, the references to AASB 101 and AASB 108 are amended. New text is underlined and deleted text is struck through.

References

- AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~
- AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~
- AASB 112 *Income Taxes*

AASB Interpretation 129 *Service Concession Arrangements: Disclosures* (August 2015)

Below the heading ‘References’, the reference to AASB 101 is amended. New text is underlined and deleted text is struck through.

References

- AASB 16 *Leases*
- AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~
- AASB 116 *Property, Plant and Equipment*
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*
- AASB 138 *Intangible Assets*
- Interpretation 12 *Service Concession Arrangements*

AASB Interpretation 132 *Intangible Assets – Web Site Costs* (August 2015)

Below the heading ‘References’, the reference to AASB 101 is amended. Paragraphs 5, AusCF5 and Aus10.4 are amended. Paragraph Aus10.5 is added. New text is underlined and deleted text is struck through.

References

- AASB 3 *Business Combinations*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 18 *Presentation and Disclosure in Financial Statements*~~AASB 101 *Presentation of Financial Statements*~~
- AASB 102 *Inventories*
- AASB 116 *Property, Plant and Equipment*
- AASB 136 *Impairment of Assets*
- AASB 138 *Intangible Assets*

...

Issue

...

5 This Interpretation does not apply to expenditure on purchasing, developing, and operating hardware (eg web servers, staging servers, production servers and Internet connections) of a web site. Such expenditure is accounted for under AASB 116. 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 paragraph 46 of AASB 18 ~~AASB 101.88~~ and the *Conceptual Framework for Financial Reporting* when the services are received.

AusCF5 Notwithstanding paragraph 5, in respect of AusCF entities, this Interpretation does not apply to expenditure on purchasing, developing, and operating hardware (eg web servers, staging servers, production servers and Internet connections) of a web site. Such expenditure is accounted for under AASB 116. 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 paragraph 46 of AASB 18 ~~AASB 101.88~~ and the *Framework for the Preparation and Presentation of Financial Statements* (as identified in AASB 1048 *Interpretation of Standards*)[AusCF1] when the services are received.

...

Effective date

...

Aus10.4 AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*, issued in 2019, added AusCF paragraphs and amended paragraph 5. An entity shall apply the amendments for annual periods beginning on or after 1 January 2020. Earlier application is permitted if at the same time an entity also applies all other amendments made by AASB 2019-1. An entity shall apply the amendments to Interpretation 132 retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.[2] However, if an entity determines that retrospective application would be impracticable or would involve undue cost or effort, it shall apply the amendments to Interpretation 132 by reference to paragraphs 23– 28, 50–53 and 54F of AASB 108.

2 When it issued AASB 18 in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

Aus10.5 AASB 18 *Presentation and Disclosure in Financial Statements* issued in June 2024 amended paragraphs 5, AusCF5 and Aus10.4. An entity shall apply those amendments when it applies AASB 18.

AASB Interpretation 1003 *Australian Petroleum Resource Rent Tax* (November 2007)

Below the heading 'References', the reference to AASB 108 is amended. Paragraph 2 is also amended. New text is underlined and deleted text is struck through.

References

Accounting Standard AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~

Accounting Standard AASB 112 *Income Taxes*

Background

…

2 AASB 112 *Income Taxes* deals with accounting for income taxes. AASB 112 provides only limited guidance on what is considered to be an income tax, and divergent interpretations as to whether or not Australian PRRT is an income tax have emerged among Australian reporting entities. Unless AASB 112 specifically applies to Australian PRRT, AASB 108 *Basis of Preparation of Financial Statements* ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~ requires that management shall use its judgement in developing and applying an accounting policy that results in information that is relevant to the economic decision-making needs of users and is reliable.

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*;' in paragraph 14. New text is underlined.

1 When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.

AASB Interpretation 1031 *Accounting for the Goods and Services Tax (GST)* (November 2004)

Paragraph 23 is amended. Below the heading 'References', the reference to AASB 108 is also amended. New text is underlined and deleted text is struck through.

Discussion

…

23 In some cases, an entity carries on a business that comprises a mix of input-taxed activities and taxable activities and GST-free activities. In these circumstances, the entity is not entitled to claim an input tax credit in respect of its input-taxed activities. In these cases, the legislation provides that the related GST is apportioned between input-taxed and other activities in measuring the recognised amount of the acquisition cost. In some cases, periodic adjustments will need to be made in respect of the apportionment. Where the related item is a depreciable asset, consequential adjustments will need to be made to reflect revisions of the acquisition cost and carrying amount of the asset. These adjustments are in the nature of revisions of the depreciable amount and would be accounted for in accordance with the requirements of AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~.

…

References

Accounting Standard AASB 108 <u>*Basis of Preparation of Financial Statements*</u>~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~

Accounting Standard AASB 112 *Income Taxes*

AASB Interpretation 1055 *Accounting for Road Earthworks* (September 2004)

Below the heading 'References', the reference to AASB 108 is also amended. New text is underlined and deleted text is struck through.

REFERENCES

…

Accounting Standard AASB 108 <u>*Basis of Preparation of Financial Statements*</u>~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~

Accounting Standard AASB 116 *Property, Plant and Equipment*

A footnote is added to 'AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*;' in paragraph 23. New text is underlined.

<u>1</u> <u>When it issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, the AASB changed the title of AASB 108 to *Basis of Preparation of Financial Statements*.</u>

AASB Practice Statement 2 *Making Materiality Judgements* (December 2017)

Paragraphs 5, AusCF5, 73, 88A, 88D, 88E and 88G are amended. Example P, Example S, Example T, Diagram 2, Appendix B and Appendix AusCF B are also amended. New text is underlined and deleted text is struck through.

General characteristics of materiality

Definition of material

5 The *Conceptual Framework for Financial Reporting* (*Conceptual Framework*) provides the following definition of material information (<u>Appendix A and paragraph B1 of AASB 18 *Presentation and Disclosure in Financial Statements* provide</u> ~~paragraph 7 of AASB 101 *Presentation of Financial Statements* provides~~ a similar definition[1]):

...

1 See <u>Appendix A and paragraph B2 of Appendix B of AASB 18 *Presentation and Disclosure in Financial Statements*</u>~~paragraph 7 of AASB 101 *Presentation of Financial Statements*~~.

AusCF5 Notwithstanding paragraph 5, in respect of AusCF entities, the *Framework for the Preparation and Presentation of Financial Statements* as identified in AASB 1048 *Interpretation of Standards* (the *Framework*) provides the following definition of material information (<u>Appendix A and paragraph B1 of AASB 18 *Presentation and Disclosure in Financial Statements* provide</u> ~~paragraph 7 of AASB 101 *Presentation of Financial Statements* provides~~ a similar definition[1]):

...

1 See <u>Appendix A and paragraph B2 of Appendix B of AASB 18 *Presentation and Disclosure in Financial Statements*</u>~~paragraph 7 of AASB 101 *Presentation of Financial Statements*~~.

...

Specific topics

...

Errors

...

73 An entity must correct all material errors, as well as any immaterial errors made intentionally to achieve a particular presentation of its financial position, financial performance or cash flows, to ensure compliance with Australian Accounting Standards.[40] The entity should refer to AASB 108 *Basis of Preparation of Financial Statements* ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~ for guidance on how to correct an error.

...

Information about covenants

...

Example P—assessing whether information about covenants is material
...
Application
...
Paragraph B106 of AASB 18 ~~76ZA of AASB 101~~ requires an entity to disclose, in specified circumstances, information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months after the reporting period.
...

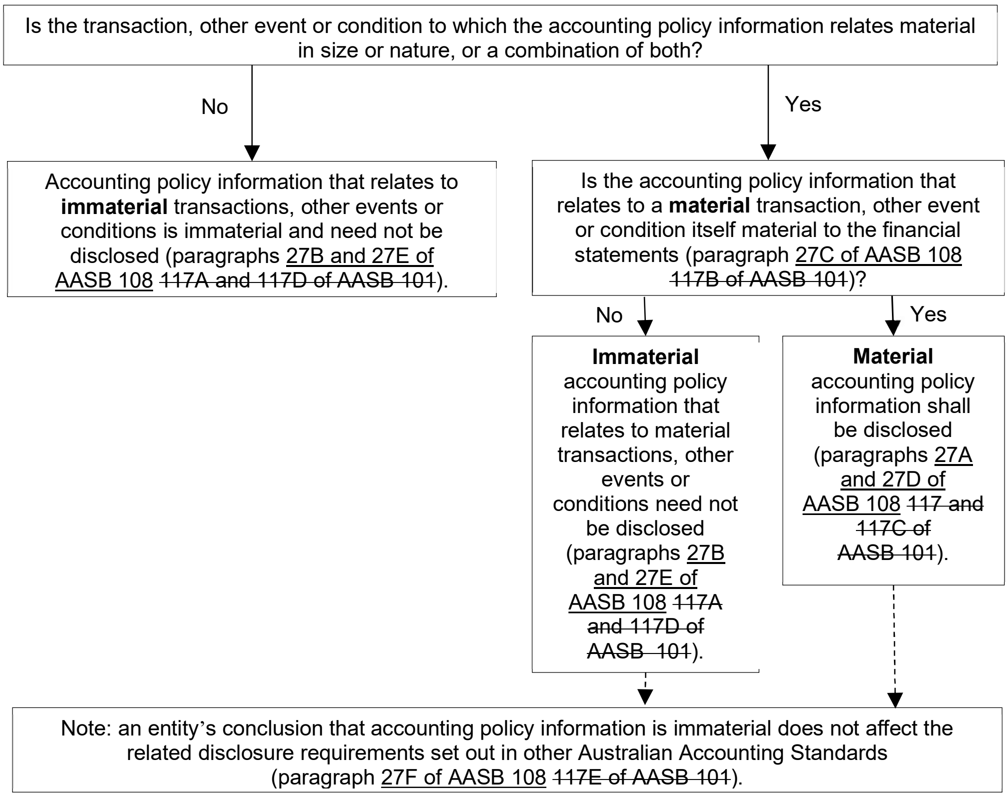
...

Information about accounting policies

88A Paragraph 27A of AASB 108 ~~117 of AASB 101~~ requires an entity to disclose material accounting policy information.

...

Diagram 2—determining whether accounting policy information is material



88D Paragraph 27C of AASB 108 ~~117B of AASB 101~~ includes examples of circumstances in which an entity is likely to consider accounting policy information to be material to its financial statements. The list is not exhaustive, but provides guidance on when an entity would normally consider accounting policy information to be material.

88E Paragraph 27D of AASB 108 ~~117C of AASB 101~~ describes the type of material accounting policy information that users of financial statements find most useful. Users generally find information about the characteristics of an entity's transactions, other events or conditions—entity-specific information—more useful than disclosures that only include standardised information, or information that duplicates or summarises the requirements of the Australian Accounting Standards. Entity-specific accounting policy information is particularly useful when that information relates to an area for which an entity has exercised judgement—for example, when an entity applies an Australian Accounting Standard differently from similar entities in the same industry.

...

88G Paragraph 27E of AASB 108 ~~117D of AASB 101~~ states that if an entity discloses immaterial accounting policy information, such information shall not obscure material information. Paragraphs 56–59 provide guidance about how to communicate information clearly and concisely in the financial statements.

Example S—making materiality judgements and focusing on entity-specific information while avoiding standardised (boilerplate) accounting policy information

...

Application

...

The entity evaluates the effect of disclosing the accounting policy information by considering the presence of qualitative factors. The entity noted that its revenue recognition accounting policies:

...

Example S—making materiality judgements and focusing on entity-specific information while avoiding standardised (boilerplate) accounting policy information	
(c)	were not developed in accordance with AASB 108 *Basis of Preparation of Financial Statements* ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~ in the absence of an Australian Accounting Standard that specifically applies; and ...

Example T—making materiality judgements on accounting policy information that only duplicates requirements in the Australian Accounting Standards
... **Application** ... However, the entity's impairment accounting policy relates to an area for which the entity is required to make significant judgements or assumptions, as described in paragraphs 27G and 31A of AASB 108 ~~122 and 125 of AASB 101~~. Given the entity's specific circumstances, it concludes that information about its significant judgements and assumptions related to its impairment assessments could reasonably be expected to influence the decisions of the primary users of the entity's financial statements. The entity notes that its disclosures about significant judgements and assumptions already include information about the significant judgements and assumptions used in its impairment assessments. ...

...

Appendix B
References to the *Conceptual Framework for Financial Reporting* and Australian Accounting Standards

...

Extracts from AASB 18 *Presentation and Disclosure in Financial Statements* ~~AASB 101 *Presentation of Financial Statements*~~

~~**Paragraph 7**~~

~~Referred to in paragraphs 5, 41 and 60 of the Practice Statement~~

~~***Material*** **Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.**~~

~~Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.~~

~~**Paragraph 7**~~

~~Referred to in paragraph 6 of the Practice Statement~~

~~Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity's general purpose financial statements requires an entity to consider the characteristics of those users while also considering the entity's own circumstances. […] At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.~~

~~**Paragraph 15**~~

~~Referred to in paragraph 62 of the Practice Statement~~

~~**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 *Conceptual Framework for Financial Reporting*. The application of Australian Accounting Standards, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.**~~

~~**Paragraph 17**~~

~~Referred to in paragraph 10 of the Practice Statement~~

~~In virtually all circumstances, an entity achieves a fair presentation by compliance with applicable Australian Accounting Standards. A fair presentation also requires an entity:~~

~~(a)~~ ~~to select and apply accounting policies in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. AASB 108 sets out a hierarchy of authoritative guidance that management considers in the absence of an Australian Accounting Standard 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 Australian Accounting Standards 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.~~

Paragraph 15

Referred to in paragraph 58 of the Practice Statement

To achieve the objective of financial statements (see paragraph 9), an entity presents information in the primary financial statements and discloses information in the notes. An entity need only present or disclose material information (see paragraphs 19 and B1–B5).

Paragraph 16

Referred to in paragraph 58 of the Practice Statement

The role of the primary financial statements is to provide structured summaries of a reporting entity's recognised assets, liabilities, equity, income, expenses and cash flows, that are useful to users of financial statements for:

(a) **obtaining an understandable overview of the entity's recognised assets, liabilities, equity, income, expenses and cash flows;**

(b) **making comparisons between entities, and between reporting periods for the same entity; and**

(c) **identifying items or areas about which users of financial statements may wish to seek additional information in the notes.**

Paragraph 17

Referred to in paragraph 58 of the Practice Statement

The role of the notes is to provide material information necessary:

(a) **to enable users of financial statements to understand the line items presented in the primary financial statements (see paragraph B6); and**

(b) **to supplement the primary financial statements with additional information to achieve the objective of financial statements (see paragraph B7).**

Paragraph 18

Referred to in paragraph 58 of the Practice Statement

An entity shall use the roles of the primary financial statements and the notes, described in paragraphs 16–17, to determine whether to include information in the primary financial statements or in the notes. The different roles of the primary financial statements and the notes mean that the extent of the information required in the notes differs from that in the primary financial statements. The differences mean that:

(a) to provide the structured summaries described in paragraph 16, information provided in the primary financial statements is more aggregated than information provided in the notes; and

(b) to provide the information described in paragraph 17, more detailed information about the entity's assets, liabilities, equity, income, expenses and cash flows, including the disaggregation of information presented in the primary financial statements, is provided in the notes.

Paragraph 19

Referred to in paragraph 10 of the Practice Statement

Some Australian Accounting Standards specify information that is required to be presented in the primary financial statements or disclosed in the notes. An entity need not provide a specific presentation or disclosure required by Australian Accounting Standards if the information resulting from that presentation or disclosure is not material. This is the case even if Australian Accounting Standards contain a list of specific requirements or describe them as minimum requirements.

Paragraph 20

Referred to in paragraph 10 of the Practice Statement

An entity shall consider whether to provide additional disclosures when compliance with the specific requirements in Australian Accounting Standards is insufficient to enable users of financial statements to understand the effect of transactions and other events and conditions on the entity's financial position and financial performance.

Paragraph 41

Referred to in paragraphs 28, 57 and 69 of the Practice Statement

For the purposes of this Standard, an item is an asset, liability, equity instrument or reserve, income, expense or cash flow or any aggregation or disaggregation of such assets, liabilities, equity, income, expenses or cash flows. A line item is an item that is presented separately in the primary financial statements. Other material information about items is disclosed in the notes. Unless doing so would override specific aggregation or disaggregation requirements in Australian Accounting Standards, an entity shall (see paragraphs B16–B23):

(a) classify and aggregate assets, liabilities, equity, income, expenses or cash flows into items based on shared characteristics;

(b) disaggregate items based on characteristics that are not shared;

(c) aggregate or disaggregate items to present line items in the primary financial statements that fulfil the role of the primary financial statements in providing useful structured summaries (see paragraph 16);

(d) aggregate or disaggregate items to disclose information in the notes that fulfils the role of the notes in providing material information (see paragraph 17); and

(e) ensure that aggregation and disaggregation in the financial statements do not obscure material information (see paragraph B3).

Paragraph 42 ~~29~~

Referred to in paragraph 43 of the Practice Statement

Applying the principles in paragraph 41, an entity shall disaggregate items whenever the resulting information is material. If, applying paragraph 41(c), an entity does not present material information in the primary financial statements, it shall disclose the information in the notes. Paragraphs B79 and B111 set out examples of income, expenses, assets, liabilities and items of equity that might have sufficiently dissimilar characteristics that presentation in the statement of profit or loss or statement of financial position or disclosure in the notes is necessary to provide material information.

~~**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.**~~

~~**Paragraph 30A**~~

~~Referred to in paragraphs 28, 57 and 69 of the Practice Statement~~

~~When applying this and other Australian Accounting Standards an entity shall decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity shall not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.~~

~~**Paragraph 31**~~

~~Referred to in paragraph 10 of the Practice Statement~~

> ~~Some Australian Accounting Standards specify information that is required to be included in the financial statements, which include the notes. An entity need not provide a specific disclosure required by an Australian Accounting Standards if the information resulting from that disclosure is not material. This is the case even if the Australian Accounting Standards contains a list of specific requirements or describes them as minimum requirements. An entity shall also consider whether to provide additional disclosures when compliance with the specific requirements in Australian Accounting Standards is insufficient to enable users of financial statements to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.~~

Paragraph <u>31</u> ~~38~~

Referred to in paragraphs 67 and 70 of the Practice Statement

> <u>**Except when Australian Accounting Standards permit or require otherwise, an entity shall provide comparative information (that is, information for the preceding reporting period) for all amounts reported in the current period's financial statements. An entity shall include comparative information for narrative and descriptive information if it is necessary for an understanding of the current period's financial statements (see paragraph B13).**</u>
>
> ~~**Except when Australian Accounting Standards permit or require otherwise, an entity shall present comparative information in respect of the preceding period for all amounts reported in the current period's financial statements. An entity shall include comparative information for narrative and descriptive information if it is relevant to understanding the current period's financial statements.**~~

Paragraph <u>32</u> ~~38A~~

Referred to in paragraph 67 of the Practice Statement

> <u>**An entity shall present a current reporting period and preceding period in each of its primary financial statements and in the notes. Paragraphs B14–B15 set out requirements relating to additional comparative information.**</u>
>
> ~~**An entity shall present, as a minimum, two statements of financial position, two statements of profit or loss and other comprehensive income, two separate statements of profit or loss (if presented), two statements of cash flows and two statements of changes in equity, and related notes.**~~

<u>**Appendix A**</u>

<u>Referred to in paragraphs 5, 41 and 60 of the Practice Statement</u>

> <u>***material information*** Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.</u>

<u>**Paragraph B2**</u>

<u>Referred to in paragraphs 5, 41 and 60 of the Practice Statement</u>

> <u>Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.</u>

<u>**Paragraph B4**</u>

<u>Referred to in paragraph 6 of the Practice Statement</u>

> <u>Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity's general purpose financial statements requires an entity to consider the characteristics of those users while also considering the entity's own circumstances.</u>

<u>**Paragraph B5**</u>

<u>Referred to in paragraph 6 of the Practice Statement</u>

> <u>…At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.</u>

Paragraph <u>B14</u> ~~38C~~

Referred to in paragraph 69 of the Practice Statement

> <u>An entity may provide comparative information in addition to the comparative information required by Australian Accounting Standards, as long as that information is prepared in accordance with Australian</u>

Accounting Standards. This additional comparative information may consist of one or more of the primary financial statements referred to in paragraph 10, but need not comprise a complete set of financial statements. When this is the case, the entity shall disclose in the notes information for those additional primary financial statements.

~~An entity may present comparative information in addition to the minimum comparative financial statements required by Australian Accounting Standards, as long as that information is prepared in accordance with Australian Accounting Standards. This comparative information may consist of one or more statements referred to in paragraph 10, but need not comprise a complete set of financial statements. When this is the case, the entity shall present related note information for those additional statements.~~

~~Paragraph 117~~

~~Referred to in paragraphs 88A and 88C of the Practice Statement~~

~~An entity shall disclose material accounting policy information (see paragraph 7). Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.~~

~~Paragraph 117A~~

~~Referred to in paragraph 88C of the Practice Statement~~

~~Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may nevertheless be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.~~

~~Paragraph 117B~~

~~Referred to in paragraphs 88C and 88D of the Practice Statement~~

~~Accounting policy information is expected to be material if users of an entity's financial statements would need it to understand other material information in the financial statements. For example, an entity is likely to consider accounting policy information material to its financial statements if that information relates to material transactions, other events or conditions and:~~

~~(a)~~ ~~the entity changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;~~

~~(b)~~ ~~the entity chose the accounting policy from one or more options permitted by Australian Accounting Standards – such a situation could arise if the entity chose to measure investment property at historical cost rather than fair value;~~

~~(c)~~ ~~the accounting policy was developed in accordance with AASB 108 in the absence of an Australian Accounting Standards that specifically applies;~~

~~(d)~~ ~~the accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity discloses those judgements or assumptions in accordance with paragraphs 122 and 125; or~~

~~(e)~~ ~~the accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions – such a situation could arise if an entity applies more than one Australian Accounting Standards to a class of material transactions.~~

~~Paragraph 117C~~

~~Referred to in paragraphs 88C and 88E of the Practice Statement~~

~~Accounting policy information that focuses on how an entity has applied the requirements of the Australian Accounting Standards to its own circumstances provides entity-specific information that is more useful to users of financial statements than standardised information, or information that only duplicates or summarises the requirements of the Standards.~~

~~Paragraph 117D~~

~~Referred to in paragraphs 88C and 88G of the Practice Statement~~

~~If an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.~~

~~**Paragraph 117E**~~

~~Referred to in paragraph 88C of the Practice Statement~~

~~An entity's conclusion that accounting policy information is immaterial does not affect the related disclosure requirements set out in other Australian Accounting Standards.~~

Paragraph BC73 ~~BC30F~~ of the Basis for Conclusions on IFRS 18 ~~IAS 1~~

Referred to in paragraphs 28 and 69 of the Practice Statement

Aggregating and disaggregating information requires an entity to avoid both omitting useful information by providing insufficient detail and obscuring information with too much detail. For example, an entity's total assets, total liabilities, total equity, total income, total expenses and total cash flows provide some information about the entity's financial position, financial performance and cash flows, but are too aggregated to be useful on their own. Conversely, disaggregated information about individual transactions or other events provides detailed information, but may be so detailed as to obscure material information. Accordingly, an entity uses its judgement to determine how much detail is necessary to provide useful information.

~~Paragraph 30A was added to IAS 1 to highlight that when an entity decides how it aggregates information in the financial statements, it should take into consideration all relevant facts and circumstances. Paragraph 30A emphasises that an entity should not reduce the understandability of its financial statements by providing immaterial information that obscures the material information in financial statements or by aggregating material items that have different natures or functions. Obscuring material information with immaterial information in financial statements makes the material information less visible and therefore makes the financial statements less understandable. The amendments do not actually prohibit entities from disclosing immaterial information, because the Board thinks that such a requirement would not be operational; however, the amendments emphasise that disclosure should not result in material information being obscured.~~

Extracts from AASB 108 *Basis of Preparation of Financial Statements* ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~

Paragraph 5

Referred to in paragraphs 72 and 78 of the Practice Statement

***Prior period errors* are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:**

(a) was available when financial statements for those periods were authorised for issue; and

(b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Paragraph 6A

Referred to in paragraph 62 of the Practice Statement

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 *Conceptual Framework for Financial Reporting* (*Conceptual Framework*) (as identified in AASB 1048 *Interpretation of Standards*). The application of Australian Accounting Standards, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.

Paragraph 6C

Referred to in paragraph 10 of the Practice Statement

In virtually all circumstances, an entity achieves a fair presentation by compliance with applicable Australian Accounting Standards. A fair presentation also requires an entity:

(a) to select and apply accounting policies in accordance with this Standard. This Standard sets out a hierarchy of authoritative guidance that management considers in the absence of an Australian Accounting Standards 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 Australian Accounting Standards 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.

Paragraph 8

Referred to in paragraph 8 of the Practice Statement

Australian Accounting Standards set out accounting policies that the AASB has concluded result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. However, it is inappropriate to make, or leave uncorrected, immaterial departures from Australian Accounting Standards to achieve a particular presentation of an entity's financial position, financial performance or cash flows.

Paragraph 27A

Referred to in paragraph 88A and 88C of the Practice Statement

An entity shall disclose material accounting policy information (see paragraph 5). Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Paragraph 27B

Referred to in paragraph 88C of the Practice Statement

Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may nevertheless be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

Paragraph 27C

Referred to in paragraphs 88C and 88D of the Practice Statement

Accounting policy information is expected to be material if users of an entity's financial statements would need it to understand other material information in the financial statements. For example, an entity is likely to consider accounting policy information material to its financial statements if that information relates to material transactions, other events or conditions and:

(a) the entity changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

(b) the entity chose the accounting policy from one or more options permitted by Australian Accounting Standards – such a situation could arise if the entity chose to measure investment property at historical cost rather than fair value;

(c) the accounting policy was developed in accordance with this Standard in the absence of an Australian Accounting Standards that specifically applies;

(d) the accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity discloses those judgements or assumptions in accordance with paragraphs 27G and 31A; or

(e) the accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions – such a situation could arise if an entity applies more than one Standard to a class of material transactions.

Paragraph 27D

Referred to in paragraphs 88C and 88E of the Practice Statement

Accounting policy information that focuses on how an entity has applied the requirements in the Australian Accounting Standards to its own circumstances provides entity-specific information that is more useful to users of financial statements than standardised information, or information that only duplicates or summarises the requirements of the Standards.

Paragraph 27E

Referred to in paragraphs 88C and 88G of the Practice Statement

If an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

Paragraph 27F

Referred to in paragraph 88C of the Practice Statement

> An entity's conclusion that accounting policy information is immaterial does not affect the related disclosure requirements set out in other Australian Accounting Standards.

Paragraph 41

Referred to in paragraph 73 of the Practice Statement

> Errors can arise in respect of the recognition, measurement, presentation or disclosure of elements of financial statements. Financial statements do not comply with Australian Accounting Standards if they contain either material errors or immaterial errors made intentionally to achieve a particular presentation of an entity's financial position, financial performance or cash flows. Potential current period errors discovered in that period are corrected before the financial statements are authorised for issue. However, material errors are sometimes not discovered until a subsequent period, and these prior period errors are corrected in the comparative information presented in the financial statements for that subsequent period (see paragraphs 42–47).

Extracts from AASB 134 *Interim Financial Reporting*

…

Paragraph 20

Referred to in paragraph 85 of the Practice Statement

> **Interim reports shall include interim financial statements (condensed or complete) for periods as follows:**
>
> **(a) statement of financial position as of the end of the current interim period and a comparative statement of financial position as of the end of the immediately preceding financial year.**
>
> **(b) statement(s) of financial performance ~~statements of profit or loss and other comprehensive income~~ for the current interim period and cumulatively for the current financial year to date, with comparative statement(s) of financial performance ~~statements of profit or loss and other comprehensive income~~ for the comparable interim periods (current and year-to-date) of the immediately preceding financial year. As permitted by AASB 18~~AASB 101~~, an interim report may present for each period a statement (or statements) ~~or statements~~ of financial performance~~profit or loss and other comprehensive income~~.**
>
> **(c) statement of changes in equity cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year.**
>
> **(d) statement of cash flows cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year.**

…

Appendix AusCF B
References to the *Framework for the Preparation and Presentation of Financial Statements* and Australian Accounting Standards

...

Extracts from AASB 18 *Presentation and Disclosure in Financial Statements* ~~AASB 101 *Presentation of Financial Statements*~~

~~**Paragraph 7**~~

~~Referred to in paragraphs 5, 41 and 60 of the Practice Statement~~

> ~~***Material*** **Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements which provide financial information about a specific reporting entity.**~~

~~Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.~~

~~**Paragraph 7**~~

~~Referred to in paragraph 6 of the Practice Statement~~

~~Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity's general purpose financial statements requires an entity to consider the characteristics of those users while also considering the entity's own circumstances. […] At times, even well informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.~~

~~**Paragraph AusCF15**~~

~~Referred to in paragraph 62 of the Practice Statement~~

~~**Notwithstanding paragraph 15, in respect of AusCF entities, 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 Australian Accounting Standards, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.**~~

~~**Paragraph 17**~~

~~Referred to in paragraph 10 of the Practice Statement~~

~~In virtually all circumstances, an entity achieves a fair presentation by compliance with applicable Australian Accounting Standards. A fair presentation also requires an entity:~~

~~(a) to select and apply accounting policies in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. AASB 108 sets out a hierarchy of authoritative guidance that management considers in the absence of an Australian Accounting Standards 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 Australian Accounting Standards 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.~~

Paragraph 15

Referred to in paragraph 58 of the Practice Statement

To achieve the objective of financial statements (see paragraph 9), an entity presents information in the primary financial statements and discloses information in the notes. An entity need only present or disclose material information (see paragraphs 19 and B1–B5).

Paragraph 16

Referred to in paragraph 58 of the Practice Statement

The role of the primary financial statements is to provide structured summaries of a reporting entity's recognised assets, liabilities, equity, income, expenses and cash flows, that are useful to users of financial statements for:

(a) obtaining an understandable overview of the entity's recognised assets, liabilities, equity, income, expenses and cash flows;

(b) making comparisons between entities, and between reporting periods for the same entity; and

(c) identifying items or areas about which users of financial statements may wish to seek additional information in the notes.

Paragraph 17

Referred to in paragraph 58 of the Practice Statement

The role of the notes is to provide material information necessary:

(a) to enable users of financial statements to understand the line items presented in the primary financial statements (see paragraph B6); and

(b) **to supplement the primary financial statements with additional information to achieve the objective of financial statements (see paragraph B7).**

Paragraph 18

Referred to in paragraph 58 of the Practice Statement

An entity shall use the roles of the primary financial statements and the notes, described in paragraphs 16–17, to determine whether to include information in the primary financial statements or in the notes. The different roles of the primary financial statements and the notes mean that the extent of the information required in the notes differs from that in the primary financial statements. The differences mean that:

(a) to provide the structured summaries described in paragraph 16, information provided in the primary financial statements is more aggregated than information provided in the notes; and

(b) to provide the information described in paragraph 17, more detailed information about the entity's assets, liabilities, equity, income, expenses and cash flows, including the disaggregation of information presented in the primary financial statements, is provided in the notes.

Paragraph 19

Referred to in paragraph 10 of the Practice Statement

Some Australian Accounting Standards specify information that is required to be presented in the primary financial statements or disclosed in the notes. An entity need not provide a specific presentation or disclosure required by Australian Accounting Standards if the information resulting from that presentation or disclosure is not material. This is the case even if Australian Accounting Standards contain a list of specific requirements or describe them as minimum requirements.

Paragraph 20

Referred to in paragraph 10 of the Practice Statement

An entity shall consider whether to provide additional disclosures when compliance with the specific requirements in Australian Accounting Standards is insufficient to enable users of financial statements to understand the effect of transactions and other events and conditions on the entity's financial position and financial performance.

Paragraph 41

Referred to in paragraphs 28, 57 and 69 of the Practice Statement

For the purposes of this Standard, an item is an asset, liability, equity instrument or reserve, income, expense or cash flow or any aggregation or disaggregation of such assets, liabilities, equity, income, expenses or cash flows. A line item is an item that is presented separately in the primary financial statements. Other material information about items is disclosed in the notes. Unless doing so would override specific aggregation or disaggregation requirements in Australian Accounting Standards, an entity shall (see paragraphs B16–B23):

(a) classify and aggregate assets, liabilities, equity, income, expenses or cash flows into items based on shared characteristics;

(b) disaggregate items based on characteristics that are not shared;

(c) aggregate or disaggregate items to present line items in the primary financial statements that fulfil the role of the primary financial statements in providing useful structured summaries (see paragraph 16);

(d) aggregate or disaggregate items to disclose information in the notes that fulfils the role of the notes in providing material information (see paragraph 17); and

(e) ensure that aggregation and disaggregation in the financial statements do not obscure material information (see paragraph B3).

Paragraph 42 ~~29~~

Referred to in paragraph 43 of the Practice Statement

Applying the principles in paragraph 41, an entity shall disaggregate items whenever the resulting information is material. If, applying paragraph 41(c), an entity does not present material information in the primary financial statements, it shall disclose the information in the notes. Paragraphs B79 and B111 set out examples of income, expenses, assets, liabilities and items of equity that might have sufficiently dissimilar characteristics that presentation in the statement of profit or loss or statement of financial position or disclosure in the notes is necessary to provide material information.

~~**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.**~~

~~**Paragraph 30A**~~

~~Referred to in paragraphs 28, 57 and 69 of the Practice Statement~~

~~When applying this and other Australian Accounting Standards an entity shall decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity shall not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.~~

~~**Paragraph 31**~~

~~Referred to in paragraph 10 of the Practice Statement~~

~~Some Australian Accounting Standards specify information that is required to be included in the financial statements, which include the notes. An entity need not provide a specific disclosure required by an Australian Accounting Standards if the information resulting from that disclosure is not material. This is the case even if the Australian Accounting Standards contains a list of specific requirements or describes them as minimum requirements. An entity shall also consider whether to provide additional disclosures when compliance with the specific requirements in Australian Accounting Standards is insufficient to enable users of financial statements to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.~~

Paragraph 31 ~~38~~

Referred to in paragraphs 67 and 70 of the Practice Statement

Except when Australian Accounting Standards permit or require otherwise, an entity shall provide comparative information (that is, information for the preceding reporting period) for all amounts reported in the current period's financial statements. An entity shall include comparative information for narrative and descriptive information if it is necessary for an understanding of the current period's financial statements (see paragraph B13).

~~**Except when Australian Accounting Standards permit or require otherwise, an entity shall present comparative information in respect of the preceding period for all amounts reported in the current period's financial statements. An entity shall include comparative information for narrative and descriptive information if it is relevant to understanding the current period's financial statements.**~~

Paragraph 32 ~~38A~~

Referred to in paragraph 67 of the Practice Statement

An entity shall present a current reporting period and preceding period in each of its primary financial statements and in the notes. Paragraphs B14–B15 set out requirements relating to additional comparative information.

~~**An entity shall present, as a minimum, two statements of financial position, two statements of profit or loss and other comprehensive income, two separate statements of profit or loss (if presented), two statements of cash flows and two statements of changes in equity, and related notes.**~~

Appendix A

Referred to in paragraphs 5, 41 and 60 of the Practice Statement

material information Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Paragraph B2

Referred to in paragraphs 5, 41 and 60 of the Practice Statement

Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

Paragraph B4

Referred to in paragraph 6 of the Practice Statement

Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity's general purpose financial statements requires an entity to consider the characteristics of those users while also considering the entity's own circumstances.

Paragraph B5

Referred to in paragraph 6 of the Practice Statement

> …At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.

Paragraph B14 ~~38C~~

Referred to in paragraph 69 of the Practice Statement

> An entity may provide comparative information in addition to the comparative information required by Australian Accounting Standards, as long as that information is prepared in accordance with Australian Accounting Standards. This additional comparative information may consist of one or more of the primary financial statements referred to in paragraph 10, but need not comprise a complete set of financial statements. When this is the case, the entity shall disclose in the notes information for those additional primary financial statements.

> ~~An entity may present comparative information in addition to the minimum comparative financial statements required by Australian Accounting Standards, as long as that information is prepared in accordance with Australian Accounting Standards. This comparative information may consist of one or more statements referred to in paragraph 10, but need not comprise a complete set of financial statements. When this is the case, the entity shall present related note information for those additional statements.~~

~~**Paragraph 117**~~

~~Referred to in paragraphs 88A and 88C of the Practice Statement~~

> ~~**An entity shall disclose material accounting policy information (see paragraph 7). Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.**~~

~~**Paragraph 117A**~~

~~Referred to in paragraph 88C of the Practice Statement~~

> ~~Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may nevertheless be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.~~

~~**Paragraph 117B**~~

~~Referred to in paragraphs 88C and 88D of the Practice Statement~~

> ~~Accounting policy information is expected to be material if users of an entity's financial statements would need it to understand other material information in the financial statements. For example, an entity is likely to consider accounting policy information material to its financial statements if that information relates to material transactions, other events or conditions and:~~
>
> ~~(a) the entity changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;~~
>
> ~~(b) the entity chose the accounting policy from one or more options permitted by Australian Accounting Standards – such a situation could arise if the entity chose to measure investment property at historical cost rather than fair value;~~
>
> ~~(c) the accounting policy was developed in accordance with AASB 108 in the absence of an Australian Accounting Standards that specifically applies;~~
>
> ~~(d) the accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity discloses those judgements or assumptions in accordance with paragraphs 122 and 125; or~~
>
> ~~(e) the accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions – such a situation could arise if an entity applies more than one Australian Accounting Standards to a class of material transactions.~~

~~**Paragraph 117C**~~

~~Referred to in paragraphs 88C and 88E of the Practice Statement~~

> ~~Accounting policy information that focuses on how an entity has applied the requirements of the Australian Accounting Standards to its own circumstances provides entity-specific information that is more useful to~~

~~users of financial statements than standardised information, or information that only duplicates or summarises the requirements of the Standards.~~

~~**Paragraph 117D**~~

~~Referred to in paragraphs 88C and 88G of the Practice Statement~~

~~If an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.~~

~~**Paragraph 117E**~~

~~Referred to in paragraph 88C of the Practice Statement~~

~~An entity's conclusion that accounting policy information is immaterial does not affect the related disclosure requirements set out in other Australian Accounting Standards.~~

Paragraph BC73 ~~BC30F~~ of the Basis for Conclusions on IFRS 18 ~~IAS 1~~

Referred to in paragraphs 28 and 69 of the Practice Statement

Aggregating and disaggregating information requires an entity to avoid both omitting useful information by providing insufficient detail and obscuring information with too much detail. For example, an entity's total assets, total liabilities, total equity, total income, total expenses and total cash flows provide some information about the entity's financial position, financial performance and cash flows, but are too aggregated to be useful on their own. Conversely, disaggregated information about individual transactions or other events provides detailed information, but may be so detailed as to obscure material information. Accordingly, an entity uses its judgement to determine how much detail is necessary to provide useful information.

~~Paragraph 30A was added to IAS 1 to highlight that when an entity decides how it aggregates information in the financial statements, it should take into consideration all relevant facts and circumstances. Paragraph 30A emphasises that an entity should not reduce the understandability of its financial statements by providing immaterial information that obscures the material information in financial statements or by aggregating material items that have different natures or functions. Obscuring material information with immaterial information in financial statements makes the material information less visible and therefore makes the financial statements less understandable. The amendments do not actually prohibit entities from disclosing immaterial information, because the Board thinks that such a requirement would not be operational; however, the amendments emphasise that disclosure should not result in material information being obscured.~~

Extracts from AASB 108 *Basis of Preparation of Financial Statements* ~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~

Paragraph 5

Referred to in paragraphs 72 and 78 of the Practice Statement

***Prior period errors* are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:**

(a) was available when financial statements for those periods were authorised for issue; and

(b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Paragraph AusCF6A

Referred to in paragraph 62 of the Practice Statement

Notwithstanding paragraph 6A, in respect of AusCF entities, 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*.[AusCF1] The application of Australian Accounting Standards, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.

Paragraph 6C

Referred to in paragraph 10 of the Practice Statement

6C In virtually all circumstances, an entity achieves a fair presentation by compliance with applicable Australian Accounting Standards. A fair presentation also requires an entity:

(a) to select and apply accounting policies in accordance with this Standard. This Standard sets out a hierarchy of authoritative guidance that management considers in the absence of an Australian Accounting Standard 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 Australian Accounting Standards 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.

Paragraph 8

Referred to in paragraph 8 of the Practice Statement

Australian Accounting Standards set out accounting policies that the AASB has concluded result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. However, it is inappropriate to make, or leave uncorrected, immaterial departures from Australian Accounting Standards to achieve a particular presentation of an entity's financial position, financial performance or cash flows.

Paragraph 27A

Referred to in paragraph 88A and 88C of the Practice Statement

An entity shall disclose material accounting policy information (see paragraph 5). Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Paragraph 27B

Referred to in paragraph 88C of the Practice Statement

Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may nevertheless be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

Paragraph 27C

Referred to in paragraphs 88C and 88D of the Practice Statement

Accounting policy information is expected to be material if users of an entity's financial statements would need it to understand other material information in the financial statements. For example, an entity is likely to consider accounting policy information material to its financial statements if that information relates to material transactions, other events or conditions and:

(a) the entity changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

(b) the entity chose the accounting policy from one or more options permitted by Australian Accounting Standards – such a situation could arise if the entity chose to measure investment property at historical cost rather than fair value;

(c) the accounting policy was developed in accordance with this Standard in the absence of an Australian Accounting Standard that specifically applies;

(d) the accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity discloses those judgements or assumptions in accordance with paragraphs 27G and 31A; or

(e) the accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions – such a situation could arise if an entity applies more than one Standard to a class of material transactions.

Paragraph 27D

Referred to in paragraphs 88C and 88E of the Practice Statement

Accounting policy information that focuses on how an entity has applied the requirements in the Australian Accounting Standards to its own circumstances provides entity-specific information that is more useful to users of financial statements than standardised information, or information that only duplicates or summarises the requirements of the Standards.

Paragraph 27E

Referred to in paragraphs 88C and 88G of the Practice Statement

If an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

Paragraph 27F

Referred to in paragraph 88C of the Practice Statement

An entity's conclusion that accounting policy information is immaterial does not affect the related disclosure requirements set out in other Australian Accounting Standards.

Paragraph 41

Referred to in paragraph 73 of the Practice Statement

Errors can arise in respect of the recognition, measurement, presentation or disclosure of elements of financial statements. Financial statements do not comply with Australian Accounting Standards if they contain either material errors or immaterial errors made intentionally to achieve a particular presentation of an entity's financial position, financial performance or cash flows. Potential current period errors discovered in that period are corrected before the financial statements are authorised for issue. However, material errors are sometimes not discovered until a subsequent period, and these prior period errors are corrected in the comparative information presented in the financial statements for that subsequent period (see paragraphs 42–47).

Extracts from AASB 134 *Interim Financial Reporting*

…

Paragraph 20

Referred to in paragraph 85 of the Practice Statement

Interim reports shall include interim financial statements (condensed or complete) for periods as follows:

(a) statement of financial position as of the end of the current interim period and a comparative statement of financial position as of the end of the immediately preceding financial year.

(b) statement(s) of financial performance ~~statements of profit or loss and other comprehensive income~~ for the current interim period and cumulatively for the current financial year to date, with comparative statement(s) of financial performance ~~statements of profit or loss and other comprehensive income~~ for the comparable interim periods (current and year-to-date) of the immediately preceding financial year. As permitted by AASB 18~~AASB 101~~, an interim report may present for each period a statement (or statements) ~~or statements~~ of financial performance~~profit or loss and other comprehensive income~~.

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

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

…

In paragraph 6, footnote 4 is amended. New text is underlined and deleted text is struck through.

4 See Appendix A and paragraph B4 of AASB 18~~paragraph 7 of AASB 101~~.

In paragraph 8, footnote 8 is amended. New text is underlined and deleted text is struck through.

8 See paragraph 8 of AASB 108 *Basis of Preparation of Financial Statements*~~*Accounting Policies, Changes in Accounting Estimates and Errors*~~.

In paragraph 10, footnote 9 is amended. New text is underlined and deleted text is struck through.

9 See paragraph 6C(c) of AASB 108 and paragraphs 19–20 of AASB 18~~paragraphs 17(c) and 31 of AASB 101~~.

In paragraph 28, footnote 22 is amended. New text is underlined and deleted text is struck through.

22 See paragraph 41 of AASB 18 and paragraph BC73 of the Basis for Conclusions on IFRS 18~~paragraph 30A of AASB 101 and paragraph BC30F of the Basis for Conclusions on IAS 1~~.

In paragraph 41, footnote 25 is amended. New text is underlined and deleted text is struck through.

25 See Appendix A and paragraph B2 of AASB 18~~paragraph 7 of AASB 101~~.

In paragraph 43, footnote 26 is amended. New text is underlined and deleted text is struck through.

26 See paragraph 42 of AASB 18~~paragraph 29 of AASB 101~~.

In paragraph 57, footnote 28 is amended. New text is underlined and deleted text is struck through.

28 See paragraph 41 of AASB 18~~paragraph 30A of AASB 101~~.

In paragraph 60, footnote 29 is amended. New text is underlined and deleted text is struck through.

29 See Appendix A and paragraph B2 of AASB 18~~paragraph 7 of AASB 101~~.

In paragraph 62(d), footnotes 30 and AusCF30 are amended. New text is underlined and deleted text is struck through.

30 See paragraph 6A of AASB 108~~paragraph 15 of AASB 101~~.

AusCF30 Notwithstanding footnote 30, in respect of AusCF entities, see paragraph AusCF6A of AASB 108~~paragraph AusCF15 of AASB 101~~.

In paragraph 67, footnotes 32–35 are amended. New text is underlined and deleted text is struck through.

32 Except when Australian Accounting Standards permit or require otherwise. See paragraph 31 of AASB 18 ~~38 of AASB 101~~.

33 See paragraph 31 of AASB 18 ~~38 of AASB 101~~.

34 See paragraph 32 of AASB 18 ~~38A of AASB 101~~.

35 Paragraph 10(g) of AASB 18 ~~10(f) of AASB 101~~ also requires an entity to provide a statement of financial position as at the beginning of the preceding period when the 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 in accordance with paragraphs 37–40 of AASB 18 ~~40A–40D of AASB 101~~. (This is not required of entities applying Australian Accounting Standards – Simplified Disclosures.)

In paragraph 69, footnotes 36 and 37 are amended. New. text is underlined and deleted text is struck through.

36 See paragraph B14 of AASB 18 ~~38C of AASB 101~~.

37 See paragraph 41 of AASB 18 and paragraph BC73 of the Basis for Conclusions on IFRS 18~~paragraph 30A of AASB 101 and paragraph BC30F of the Basis for Conclusions on IAS 1~~.

In paragraph 70, footnote 38 is amended. New text is underlined and deleted text is struck through.

38 See paragraph 31 of AASB 18 ~~38 of AASB 101~~.