



IAS 34 INTERIM FINANCIAL REPORTING

FACT SHEET

This fact sheet is based on the existing requirements as at 31 December 2015 and it does not take into account recent standards and interpretations that have been issued but are not yet effective.

IMPORTANT NOTE

This fact sheet is based on the requirements of the International Financial Reporting Standards (IFRSs). In some jurisdictions, the IFRSs are adopted in their entirety; in other jurisdictions the individual IFRSs are amended. In some jurisdictions the requirements of a particular IFRS may not have been adopted. Consequently, users of the fact sheet in various jurisdictions should ascertain for themselves the relevance of the fact sheet to their particular jurisdiction. The application date included below is the effective date of the initial version of the standard.

IASB APPLICATION DATE (NON-JURISDICTION SPECIFIC)

IAS 34 was adopted by the IASB in April 2001.
IAS 34 had originally been issued by the IASC in 2000.

IAS 34 is applicable for annual reporting periods commencing on or after 1 January 1999.

SCOPE

IAS 34 applies if an entity is required or elects to prepare interim financial reports in accordance with International Financial Reporting Standards.

Minimum components of an interim financial report

IAS 34 does not discourage an entity from publishing a complete financial report (as defined in IAS 1 *Presentation of Financial Statements*) as its interim financial report.

However, it does prescribe the following minimum components of an interim financial report:

- a condensed statement of financial position;
- a condensed statement or condensed statements of profit or loss and other comprehensive income;
- a condensed statement of changes in equity;
- a condensed statement of cash flows; and
- selected explanatory notes.

If an entity presents items of profit or loss in a separate statement as described in paragraph 10A of IAS 1, it presents interim condensed information from that statement.

Form and content on interim financial reports

Where an entity publishes a complete set of financial statements in its interim financial report, IAS 34 requires the form and content of the report to be prepared in accordance with the requirements of IAS 1.

Where an entity publishes a set of condensed financial statements in its interim financial report, the condensed report shall include, as a minimum, each of the headings and subtotals that were included in its most recent annual financial report and the selected explanatory notes as required by this IAS 34. Additional line items and notes shall be included in the condensed interim financial report if their omission would make the condensed interim financial statements misleading.

In the statement that presents the components of profit or loss for an interim period, an entity shall present basic and diluted earnings per share for that period when the entity is within the scope of IAS 33 *Earnings per Share*.

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

Significant Events and Transactions

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

The following is a list of events and transactions for which disclosures would be required if they are significant (*the list is not exhaustive*):

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

PERIODS TO BE PRESENTED

Assuming half yearly interim financial reports are produced for the half year ended 30 June 2014:

	Current period	Comparative period
Statement of Financial Position – at	30 June 2014	31 December 2013
Statement of Comprehensive Income – 6 months ending	30 June 2014	30 June 2013
Statement of Cash Flows – 6 months ending	30 June 2014	30 June 2013
Statement of Changes in Equity – 6 months ending	30 June 2014	30 June 2013

DISCLOSURES

Refer to Appendix 1 for a checklist to assist with IAS 34 disclosure requirements.

DEFINITIONS

Interim financial report	A financial report containing either a complete set of financial statements (as described in IAS 1) or a condensed set of financial statements (as described in IAS 34) for an interim period.
Interim period	A reporting period shorter than a full annual reporting period.

RELATED INTERPRETATION

- IFRIC 10 *Interim Financial Reporting and Impairment*

IFRIC 10 addresses the following issue:

- Should an entity reverse impairment losses recognised in an interim period on goodwill if a loss would not have been recognised, or a smaller loss would have been recognised, had an impairment assessment been made only at the end of a subsequent reporting period?

The consensus provided in IFRIC 10 is that an entity should not reverse an impairment loss recognised in a previous interim period in respect of goodwill.

AUSTRALIAN SPECIFIC REQUIREMENTS

The Australian equivalent standard is AASB 134 *Interim Financial Reporting* and is applicable for annual reporting periods commencing on or after 1 January 2005. The Australian equivalent interpretation is Interpretation 10 *Interim Financial Reporting and Impairment*.

SCOPE EXEMPTION

AASB 134 does not apply to interim financial reports for the General Government Sector of each government.

REDUCED DISCLOSURE REQUIREMENTS (RDR)

On 30 June 2010, the Australian Accounting Standards Board published AASB 1053 *Application of Tiers of Australian Accounting Standards* (and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*) which established a differential reporting framework, consisting of two Tiers of reporting requirements for preparing general purpose financial statements:

- a. Tier 1: Australian Accounting Standards; and
- b. Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.

A Tier 2 entity is a 'reporting entity' as defined in SAC 1 *Definition of the Reporting Entity* that does not have 'public accountability' as defined in AASB 1053 and is not otherwise deemed to be a Tier 1 entity by AASB 1053.

RDR is applicable to annual periods beginning on or after 1 July 2013.

When developing AASB 1053, the AASB concluded that the Australian Government and state, territory and local governments should be subject to Tier 1 requirements. The AASB also decided that General Government Sectors of the Australian Government and state and territory governments should continue to apply AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, without the reduction in disclosures provided by Tier 2. Other public sector entities are able to apply Tier 2 reporting requirements.

Disclosure requirements under Tier 2 are the same as those under Tier 1 for this Standard.

The requirements that do not apply to RDR entities are identified in Appendix 1 by shading of the relevant text. Additional disclosure requirements that are applicable to RDR entities only are included in a separate table in Appendix 1.

APPENDIX 1 – DISCLOSURE CHECKLIST

This checklist can be used to review your financial statements. You should complete the “Yes / No / N/A” column about whether the requirement is included. To ensure the completeness of disclosures, provide an explanation for “No” answers.

CODE		YES / NO / N/A	EXPLANATION (If required)
IAS 34.8	<p>Does the interim financial report include, at a minimum:</p> <ul style="list-style-type: none"> a. a condensed statement of financial position; b. a condensed statement 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? 		
IAS 34.15 – 15C	<p>Has the entity included information to explain events and transactions that are significant to the understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period?</p> <p>The following is a list of events and transactions for which disclosures would be required if they are significant (the list is not exhaustive):</p> <ul style="list-style-type: none"> a. the write-down of inventories to net realisable value and the reversal of such a write-down; b. recognition of a loss from the impairment of financial assets, property, plant and equipment, intangible assets, or other assets, and the reversal of such an impairment loss; c. the reversal of any provisions for the costs of restructuring; d. acquisitions and disposals of items of property, plant and equipment; e. commitments for the purchase of property, plant and equipment; f. litigation settlements; g. corrections of prior period errors; h. changes in the business or economic circumstances that affect the fair value of the entity’s financial assets and financial liabilities, whether those assets or liabilities are recognised at fair value or amortised cost; i. any loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period; j. related party transactions; k. transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments; l. changes in the classification of financial assets as a result of a change in the purpose or use of those assets; and m. changes in contingent liabilities or contingent assets. 		

CODE		YES / NO / N/A	EXPLANATION (If required)
IAS 34.16A	<p>Has the entity included the following information, in the notes to the interim financial report, if not disclosed elsewhere in the interim financial report:</p> <ul style="list-style-type: none"> a. a statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change; b. explanatory comments about the seasonality of cyclical of interim operations; c. the nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence; d. the nature and amount of changes in estimates of amounts reported in prior interim periods of the current annual reporting period or changes in estimates of amounts reported in prior annual reporting periods; e. issues, repurchases, and repayments of debt and equity securities; f. dividends paid (aggregate or per share) separately for ordinary shares and other shares; g. the following segment information (where IFRS 8 <i>Operating Segments</i> is applicable): <ul style="list-style-type: none"> i. revenues from external customers, if included in the measure of segment profit or loss reviewed by the Chief Operating Decision Maker (CODM) or otherwise regularly provided to the CODM; ii. intersegment revenues, if included in the measure of segment profit or loss reviewed by the CODM or otherwise regularly provided to the CODM; iii. a measure of segment profit or loss; iv. a measure of total assets and total liabilities for a particular reportable segment if such amounts are provided to the CODM and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment; v. a description of differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss; vi. a reconciliation of the total of the reportable segments' measures of profit or loss to the entity's profit or loss before tax expense (tax income) and discontinued operations. h. events after the interim period that have not been reflected in the financial statements for the interim period; 		

CODE		YES / NO / N/A	EXPLANATION (If required)
IAS 34.16A	<p>i. the effect of changes in the composition of the entity during the interim period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinued operations. Has the entity disclosed the information required by IFRS 3?</p> <p>j. for financial instruments, the disclosures about fair value required by paragraphs 91-93(h), 94-96,98 and 99 of IFRS 13 Fair Value Measurement and paragraphs 25,26 and 28-30 of IFRS 7 Financial Instruments: Disclosures; and</p> <p>k. for entities becoming, or ceasing to be, investment entities as defined in IFRS 10 Consolidated Financial Statements, the disclosures in IFRS 12 Disclosure of Interests in Other Entities paragraph 9B?</p>		
IAS 34.19	Has the entity disclosed that its interim financial report is in compliance with IAS 34?		

ADDITIONAL DISCLOSURE REQUIREMENTS APPLICABLE TO RDR ENTITIES ONLY

CODE		YES / NO / N/A	EXPLANATION <i>(If required)</i>
AASB 134.RDR 19.1	If the entity is applying RDR has it disclosed that its interim financial report is in compliance with AASB 134 as it applies to entities applying the Australian Accounting Standards – Reduced Disclosure Requirements?		

OTHER MATTERS

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