



IFRS AT A GLANCE
IAS 34 *Interim Financial Reporting*



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- ▶ Applies to entities required by legislation or other pronouncements or that elect to publish interim financial reports
- ▶ Standard does not mandate which entities should produce interim financial reports.

OTHER

- ▶ Interim period - financial period shorter than full year
- ▶ Interim financial report - either a complete (as described in IAS 1) or condensed set of financial statements.

- ▶ If complete set is published in the interim report, full compliance with IFRS is required
- ▶ If condensed set is published the interim report is required to include at a minimum:
 - A condensed statement of financial position
 - A condensed statement of comprehensive income (using either the one or two statement approach - see IAS 1)
 - A condensed statement of changes in equity
 - A condensed statement of cash flows
 - Selected explanatory notes (guidance is given in IAS 34.15 - 16A).
- ▶ The condensed statements are required to include at least:
 - Headings and subtotals included in most recent annual financial statements
 - Selected minimum explanatory notes - explaining events and transactions significant to an understanding of the changes in financial position/performance since last annual reporting date
 - Selected line items or notes if their omission would make the condensed financial statements misleading
 - Basic and diluted earnings per share (if applicable) on the face of statement of comprehensive income.

RECOGNITION AND MEASUREMENT

ACCOUNTING POLICIES

- ▶ Principles for recognising assets, liabilities, income and expenses are same as in the most recent annual financial statements, unless:
 - There is a change in an accounting policy that is to be reflected in the next annual financial statements.
- ▶ Tax recognised based on weighted average annual income tax rate expected for the full year
- ▶ Tax rate changes during the year are adjusted in the subsequent interim period during the year.

USE OF ESTIMATES

Interim reports require a greater use of estimates than annual reports.

COSTS INCURRED UNEVENLY

Anticipated or deferred only if it would be possible to defer or anticipate at year end.

SEASONAL, CYCLICAL OR OCCASIONAL REVENUE

Revenue received during the year should not be anticipated or deferred where anticipation would not be appropriate at year end Recognised as it occurs.

COMPLIANCE WITH IAS 34

- ▶ Disclose the fact that the interim financial statements comply with IAS 34.

OTHER

- ▶ For highly seasonal entities, consider reporting additional information for 12 months
- ▶ Changes in accounting policies accounted as normal in terms of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- ▶ See appendix B for examples.



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RECOGNITION AND MEASUREMENT

IMPAIRMENT

Guidance on impairment is given in IFRIC 10 *Interim Financial Reporting and Impairment*.

PERIODS TO BE PRESENTED FOR AN ENTITY WHICH PUBLISHED INTERIM FINANCIAL STATEMENTS QUARTERLY

- ▶ Statement of financial position as at the end of the current interim period (e.g. 30 Sept. 20X2) and as of the end of the immediate preceding financial year (e.g. 31 December 20X1)
- ▶ Statements of comprehensive income for the current interim period (e.g. July - Sept. 20X2) and cumulatively for the current financial year (Jan. - Sept. 20X2) (which will be the same for half year ends), with comparatives for the interim period of the preceding financial year (Jan. - Sept. 20X1)
- ▶ Statements of changes in equity for the current financial year to date, with comparatives for the year to date of the immediately preceding financial year
- ▶ Statements of cash flows for the current financial year to date, with comparatives for the year to date of the immediately preceding financial year.












Contact

For further information about how BDO can assist you and your organisation, please get in touch with one of our key contacts listed below.

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