

Model financial statements and disclosure checklist *Singapore GAAP 2005*



Abbreviations

References are made in this publication to the Singapore Companies Act, Singapore accounting pronouncements, guidelines and SGX listing rules that require a particular disclosure or accounting treatment. The abbreviations used to identify the source of authority are as follows:

CA	Singapore Companies Act
CCG	Code of Corporate Governance
FRS	Singapore Financial Reporting Standards, issued by the Council on Corporate Disclosure and Governance (CCDG)
INT FRS	Singapore Interpretations of Financial Reporting Standards
RAP	Singapore Statements of Recommended Accounting Practice
LM	Singapore Exchange Securities Trading Listing Manual Requirements
SSA	Singapore Standards on Auditing

Preface

Scope

This publication provides a sample financial statements of a fictitious group of companies. GAAP Singapore Ltd is a company incorporated in Singapore and its shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The names of people and entities included in this publication are fictitious. Any resemblance to a person or entity is purely coincidental.

GAAP Singapore Ltd is assumed to have presented its financial statements in accordance with Singapore Financial Reporting Standards ("FRS") for a number of years.

Effective date

These model financial statements include the disclosures required by the Singapore Companies Act, SGX-ST Listing Manual, and FRSs and INT FRSs that are issued at the date of publication as of September 2005.

Illustrative in nature

The sample disclosures in this model financial statements should not be considered to be the only acceptable form of presentation. The form and content of each reporting entity's financial statements are the responsibility of the entity's directors, and other forms of presentation which are equally acceptable may be preferred and adopted, provided they include the specific disclosures prescribed in the Singapore Companies Act, SGX-ST Listing Manual, and FRSs and INT FRSs.

For the purposes of presenting the profit and loss statement, statement of changes in equity and cash flow statement, the various alternatives allowed under FRSs for those statements have been illustrated. Preparers of financial statements should select the alternatives most appropriate to their circumstance.

The model financial statements contains general information and are not intended to be a substitute for reading the legislation or accounting standards themselves, or for professional judgement as to adequacy of disclosures and fairness of presentation. They do not encompass all possible disclosures required by the Singapore Companies Act, SGX-ST Listing Manual, and FRSs and INT FRSs. Depending on the circumstances, further specific information may be required in order to ensure fair presentation and compliance with laws and accounting standards and stock exchange regulations in Singapore.

Guidance notes

Direct references to the source of disclosure requirements are included in the reference column on each page of the model financial statements. Guidance notes are provided where additional matters may need to be considered in relation to a particular disclosure. These notes are inserted within the relevant section or note.

Presentation and disclosure checklist

A checklist is included in this publication that provides a comprehensive guide on the presentation and disclosure requirements under Singapore Companies Act, SGX-ST Listing Manual, FRSs and INT FRSs as of September 2005.

Presentation & disclosure checklist

FRSs and INT FRSs Requirements

The presentation and disclosure requirements of the following list of FRS and INT FRS are effective for annual periods beginning on or after January 1, 2005 except for the following:

- FRS 19 (Revised 2005), which is effective for annual periods beginning on or after January 1, 2006;
- FRS 39 (Revised 2005) relating to hedge accounting provisions, which is effective for annual periods beginning on or after January 1, 2006;
- FRS 40, which is effective for annual periods beginning on or after January 1, 2007;
- FRS 101, which is effective for financial statements covering periods beginning on or after January 1, 2004;
- FRS 102, which is effective for public companies for annual periods beginning on or after January 1, 2005 and for all other companies from January 1, 2006;
- FRS 103 and the revised FRS 36 and FRS 38, which are effective for annual periods beginning on or after July 1, 2004;
- FRS 106, which is effective for annual periods beginning on or after January 1, 2006;
- INT FRS 101, which is effective for annual periods beginning on or after September 1, 2004;
- INT FRS 104, which are effective for annual periods beginning on or after January 1, 2006 and
- INT FRS 105, which are effective for annual periods beginning on or after January 1, 2006.

SGX Listing Manual Requirements

Code of Corporate Governance and Best Practices Guide Requirements

Singapore Companies Act Requirements

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FRS 1 Presentation of Financial Statements

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 1, which prescribes the basis for presentation of general purpose financial statements in order to ensure comparability both with the entity's own financial statements of previous periods and with the financial statements of other entities.</i></p> <p><i>FRS 1 requires certain disclosures on the face of the financial statements, requires other line items to be disclosed either on the face of the financial statements or in the notes, and sets out recommended formats as an appendix to the Standard, which an entity may follow as appropriate in its own circumstances. FRS 7, Cash Flow Statements, provides a structure for the presentation of the cash flow statement (see relevant section of this checklist).</i></p> <p><i>FRS 1 uses the term disclosure in a broad sense, encompassing items presented on the face of each financial statement as well as in the notes to the financial statements. Disclosures required by other FRSs are made in accordance with the requirements of those Standards. Unless this or another Standard specifies to the contrary, such disclosures are made either on the face of the relevant financial statement or in the notes.</i></p> <p><i>The illustrative guidance issued with FRS 1 provides simple examples of ways in which the requirements of the Standard for the presentation of the balance sheet, income statement and statement of changes in equity might be met.</i></p> <p>Components of financial statements</p> <p>A complete set of financial statements comprises:</p> <p>FRS 1.8(a) a) a balance sheet;</p> <p>FRS 1.8(b) b) an income statement;</p> <p>FRS 1.8(c) c) a statement of changes in equity showing either:</p> <p style="padding-left: 20px;">i) all changes in equity; or</p> <p style="padding-left: 20px;">ii) changes in equity other than those arising from transactions with equity holders acting in their capacity as equity holders;</p> <p>FRS 1.8(d) d) a cash flow statement; and</p> <p>FRS 1.8(e) e) notes, comprising a summary of significant accounting policies and other explanatory notes.</p> <p>Fair presentation and compliance with FRSs</p> <p>FRS 1.13 The financial statements shall present fairly, the financial position, financial performance and cash flows of the entity.</p> <p><i>Notes:</i></p> <p>FRS 1.13 1) <i>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 for the Preparation and Presentation of Financial Statements (the Framework). The application of FRSs, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.</i></p> <p>FRS 1.15 2) <i>In virtually all circumstances, a fair presentation is achieved by compliance with applicable FRSs. A fair presentation also requires an entity:</i></p> <ul style="list-style-type: none"> • <i>to select and apply accounting policies in accordance with FRS 8, Accounting Policies, Changes in Accounting Estimates and Errors, which sets out a hierarchy of authoritative guidance that management considers in the absence of a Standard or an Interpretation that specially applies to an item.</i> • <i>to present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.</i> • <i>to provide additional disclosures when compliance with the specific requirements in FRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.</i> <p>FRS 1.14 The financial statements shall include an explicit and unreserved statement to the effect that they comply with FRSs.</p> <p><i>Notes :</i></p> <p>FRS 1.14 1) <i>Financial statements shall not be described as complying with FRSs unless they comply with all the requirements of FRSs.</i></p> <p>FRS 1.16 2) <i>Inappropriate accounting policies are not rectified either by disclosure of the accounting policies used or by notes or explanatory material.</i></p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 1.17	<p>In the extremely rare circumstances in which management concludes that compliance with a requirement in a Standard or an Interpretation 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 18 of FRS 1 (see below) if the relevant regulatory framework requires, or otherwise would not prohibit, such a departure.</p> <p>When an entity has departed from a requirement of a Standard or an Interpretation in accordance with paragraph 17 of FRS 1 (see above), it shall disclose:</p>	
FRS 1.18(a)	a) that management has concluded that the financial statements present fairly the entity's financial position, financial performance and cash flows;	
FRS 1.18(b)	b) that it has complied with applicable Standards and Interpretations, except that it has departed from a particular requirement to achieve a fair presentation;	
FRS 1.18(c)	c) i) the title of the Standard or Interpretation from which the entity has departed; ii) the nature of the departure (including the treatment that the Standard or Interpretation would require); iii) 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 iv) the treatment adopted; and	
FRS 1.18(d)	d) for each period presented, the financial impact of the departure on each item in the financial statements that would have been reported in complying with the requirement.	
FRS 1.19	When an entity has departed from a requirement of a Standard or an Interpretation 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 18(c) and 18(d) of FRS 1 (see above).	
FRS 1.20	<i>Note: Paragraph 19 of FRS 1(see above) applies, for example, when an entity departed in a prior period from a requirement in a Standard or Interpretation 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.</i>	
FRS 1.21	<p>In the extremely rare circumstances in which management concludes that compliance with a requirement in a Standard or an Interpretation 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:</p> <p>a) the title of the Standard or Interpretation 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</p> <p>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.</p> <p>Going concern</p>	
FRS 1.23	When management is aware, in making its assessment of the entity's ability to continue as a going concern, of any material uncertainties related to events or conditions which may cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties shall be disclosed.	
FRS 1.23	<i>Note: When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. Financial statements shall be prepared 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.</i>	
FRS 1.23	When the financial statements are not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial statements are prepared and the reason why the entity is not considered to be a going concern.	
	Consistency of presentation	
FRS 1.27	<p>The presentation and classification of items in the financial statements shall be retained from one period to the next, unless:</p> <p>a) it is apparent, following a significant change in the nature of the entity's operations or a review of its financial statements, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>; or</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p>b) a Standard or an Interpretation requires a change in presentation.</p> <p>Materiality and aggregation</p> <p>Each material class of similar items shall be presented separately in the financial statements.</p> <p><i>Notes:</i></p> <p>1) <i>Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.</i></p> <p>2) <i>Items of a dissimilar nature or function shall be presented separately unless they are immaterial.</i></p> <p>3) <i>If a line item is not individually material, it is aggregated with other items either on the face of the financial statements or in the notes.</i></p> <p>4) <i>An item that is not sufficiently material to warrant separate presentation on the face of the financial statements may nevertheless be sufficiently material that it should be presented separately in the notes.</i></p> <p>5) <i>Applying the concept of materiality means that a specific disclosure requirement in a Standard or an Interpretation need not be satisfied if the information is not material.</i></p> <p>Offsetting</p> <p>Assets and liabilities shall <u>not</u> be offset except when offsetting is required or permitted by a Standard or an Interpretation.</p> <p><i>Note: Measuring assets net of valuation allowances (e.g. obsolescence allowances on inventories and doubtful allowances on receivables) is not offsetting.</i></p> <p><i>Items of income and expense shall <u>not</u> be offset except when offsetting is required or permitted by a Standard or an Interpretation.</i></p> <p>Where an entity undertakes, in the course of its ordinary activities, transactions that do not generate revenue but that are incidental to its main revenue-generating activities, the results of such transactions shall be presented by netting any income with the related expenses arising on the same transaction, when such presentation reflects the substance of the transaction or other event.</p> <p><i>Notes:</i></p> <p><i>Examples of items to be presented net include the following:</i></p> <ul style="list-style-type: none"> • <i>gains and losses on the disposal of non-current assets, including investments and operating assets, are reported by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses; and</i> • <i>expenditure related to a provision that is recognised in accordance with FRS 37, Provisions, Contingent Liabilities and Contingent Assets, and reimbursed under a contractual arrangement with a third party (e.g. a supplier's warranty agreement) may be netted against the related reimbursement.</i> <p>Gains and losses arising from a group of similar transactions are reported on a net basis (e.g. foreign exchange gains and losses, or gains and losses arising on financial instruments held for trading) unless the gains and losses are material, in which case they are reported separately.</p> <p>Comparative information</p> <p>Except when a Standard or an Interpretation permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the financial statements.</p> <p>Comparative information shall be included in narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.</p> <p><i>Note: In some cases, narrative information provided in the financial statements for the previous period(s) continues to be relevant in the current period. For example, details of a legal dispute, the outcome of which was uncertain at the last balance sheet date and is yet to be resolved, are disclosed in the current period. Users benefit from information that the uncertainty existed at the last balance sheet date, and about the steps that have been taken during the period to resolve the uncertainty.</i></p> <p>When the presentation or classification of items in the financial statements has been amended, comparative amounts shall be reclassified, unless it is impracticable to do so.</p>	
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FRS 1.38		

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 1.41	<p><i>Note: FRS 8, Accounting Policies, Changes in Accounting Estimates and Errors, deals specifically with the adjustments to comparative information when an entity changes an accounting policy or corrects an error (see relevant section of this checklist).</i></p>	
	<p>When comparative amounts have been reclassified, an entity shall disclose:</p>	
FRS 1.38(a)	a) the nature of the reclassification;	
FRS 1.38(b)	b) the amount of each item or class of items that is reclassified; and	
FRS 1.38(c)	c) the reason for the reclassification.	
	<p>When it is impracticable to reclassify comparative amounts, an entity shall disclose:</p>	
FRS 1.39(a)	a) the reason for not reclassifying the amounts; and	
FRS 1.39(b)	b) the nature of the adjustments that would have been made if the amounts had been reclassified.	
	<p>Identification of the financial statements</p>	
FRS 1.44	The financial statements shall be identified clearly and distinguished from other information in the same published document.	
FRS 1.45	<p><i>Note: FRSs apply only to the financial statements, and not to other information presented in an annual report or other document. Therefore, it is important that users can distinguish information that is prepared using FRSs from other information that may be useful to users but is not the subject of those requirements.</i></p>	
FRS 1.46	Each component of the financial statements shall be identified clearly.	
	<p>The following information shall be displayed prominently, and repeated when it is necessary for a proper understanding of the information presented:</p>	
FRS 1.46(a)	a) the name of the reporting entity or other means of identification, and any change in that information from the preceding balance sheet date;	
FRS 1.46(b)	b) whether the financial statements cover the individual entity or a group of entities;	
FRS 1.46(c)	c) the balance sheet date or the period covered by the financial statements, whichever is appropriate to that component of the financial statements;	
FRS 1.46(d)	d) the presentation currency, as defined in FRS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> ; and	
FRS 1.46(e)	e) the level of rounding used in presenting amounts in the financial statements.	
	<p><i>Notes:</i></p>	
FRS 1.47	<p>1) <i>The requirements of paragraph 46 of FRS 1 (see above) are normally met by presenting page headings and abbreviated column headings on each page of the financial statements. Judgement is required in determining the best way of presenting such information. For example, when the financial statements are presented electronically, separate pages are not always used. The above items are then presented frequently enough to ensure a proper understanding of the information included in the financial statements.</i></p>	
FRS 1.48	<p>2) <i>Financial statements are often made more understandable by presenting information in thousands or millions of units of the presentation currency. This is acceptable as long as the level of rounding in presentation is disclosed and material information is not omitted.</i></p>	
	<p>Reporting period</p>	
	<p>When an entity's balance sheet date changes and the annual financial statements are presented for a period longer or shorter than one year, the entity shall disclose:</p>	
FRS 1.49	a) the period covered by the financial statements;	
FRS 1.49(a)	b) the reason for using a period longer or shorter than one year; and	
FRS 1.49(b)	c) the fact that comparative amounts for the income statement, statement of changes in equity, cash flow statement and related notes are not entirely comparable.	
	<p><i>Notes:</i></p>	
FRS 1.49	<p>1) <i>The financial statements shall be presented at least annually.</i></p>	
FRS 1.50	<p>2) <i>Normally, financial statements are consistently prepared covering a one-year period. However, for practical reasons, some entities prefer to report, for example, for a 52-week period. FRS 1 does not preclude this practice, because the resulting financial statements are unlikely to be materially different from those that would be presented for one year.</i></p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
	Balance sheet	
	Current/non-current distinction	
FRS 1.51	An entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications on the face of the balance sheet except when a presentation based on liquidity provides information that is reliable and is more relevant.	
FRS 1.51	When a presentation based on liquidity provides information that is reliable and is more relevant than presentation on a current/non-current basis, assets and liabilities shall be presented broadly in order of their liquidity.	
	<i>Notes :</i>	
FRS 1.54	1) <i>For some entities, such as financial institutions, a presentation of assets and liabilities in increasing or decreasing order of liquidity provides information that is reliable and is more relevant than a current/non-current presentation because the entity does not supply goods or services within a clearly identifiable operating cycle.</i>	
FRS 1.55	2) <i>An entity is permitted to present some of its assets and liabilities using a current/non-current distinction and others in order of liquidity when this provides information that is reliable and is more relevant. The need for a mixed basis of presentation may arise when an entity has diverse operations.</i>	
FRS 1.52	Whichever of the methods of presentation allowed for under paragraph 51 of FRS 1(see above) is adopted, for each asset and liability line item that combines amounts expected to be recovered or settled (a) no more than twelve months after the balance sheet date, and (b) more than twelve months after the balance sheet date, an entity shall disclose the amount expected to be recovered or settled after more than twelve months.	
FRS 1.56	<i>Note: For example, an entity discloses the amount of inventories that are expected to be recovered more than twelve months after the balance sheet date.</i>	
	Current assets	
	An asset shall be classified as current when it satisfies any of the following criteria:	
FRS 1.57(a)	a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle; or	
FRS 1.59	<i>Note: The operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. When the entity's normal operating cycle is not clearly identifiable, its duration is assumed to be twelve months. Current assets include assets (such as inventories and trade receivables) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the balance sheet date. Current assets also include assets held primarily for the purpose of being traded (financial assets within this category are classified as held for trading in accordance with FRS 39) and the current portion of non-current financial assets.</i>	
FRS 1.57(b)	b) it is held primarily for the purpose of being traded; or	
FRS 1.57(c)	c) it is expected to be realised within twelve months after the balance sheet date; or	
FRS 1.57(d)	d) it is cash or a cash equivalent (as defined in FRS 7 <i>Cash Flow Statements</i>), unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.	
FRS 1.57	All assets, other than those meeting one of the criteria set out in paragraph 57 of FRS 1(see above), shall be classified as non-current.	
FRS 1.58	<i>Note: FRS 1 uses the term 'non-current' to include tangible, intangible and financial assets of a long-term nature. It does not prohibit the use of alternative descriptions as long as the meaning is clear.</i>	
	Current liabilities	
	A liability shall be classified as current when it satisfies any of the following criteria:	
FRS 1.60(a)	a) it is expected to be settled in the entity's normal operating cycle; or	
FRS 1.61	<i>Note: Some current liabilities, such as trade payables and some accruals for employee and other operating costs, are part of the working capital used in the entity's normal operating cycle. Such operating items are classified as current liabilities even if they are due to be settled more than twelve months after the balance sheet date. The same normal operating cycle applies to the classification of an entity's assets and liabilities. When the entity's normal operating cycle is not clearly identifiable, its duration is assumed to be twelve months.</i>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 1.60(b)	b) it is held primarily for the purpose of being traded; or	
FRS 1.60(c)	c) it is due to be settled within twelve months after the balance sheet date; or	
FRS 1.69(d)	d) the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.	
FRS 1.60	All liabilities, other than those meeting one of the criteria set out in paragraph 60 of FRS 1(see above), shall be classified as non-current.	
FRS 1.63	An entity classifies financial liabilities as current when they are due to be settled within twelve months after the balance sheet date, even if:	
	a) the original term was for a period of more than twelve months; and	
	b) an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue.	
FRS 1.64	If an entity expects, and has the discretion, to refinance or roll over an obligation for at least twelve months after the balance sheet date under an existing loan facility, it classifies the obligation as non-current, even if it would otherwise be due within a shorter period.	
FRS 1.64	<i>Note: However, when refinancing or rolling over the obligation is not at the discretion of the entity (e.g. there is no agreement to refinance), the potential to refinance is not considered and the obligation is classified as current.</i>	
FRS 1.65	When an entity breaches an undertaking under a long-term loan agreement on or before the balance sheet date with the effect that the liability becomes payable on demand, the liability is classified as current, even if the lender has agreed, after the balance sheet date and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach.	
	<i>Notes:</i>	
FRS 1.65	<p>1) <i>The liability is classified as current because, at the balance sheet date, the entity did not have an unconditional right to defer its settlement for at least twelve months after that date.</i></p> <p>2) <i>See the next point below for circumstances where the lender has agreed to an extended period of grace on or before the balance sheet date.</i></p>	
FRS 1.66	When an entity breaches an undertaking under a long-term loan agreement on or before the balance sheet date with the effect that the liability becomes payable on demand, the liability is classified as non-current if the lender agreed by the balance sheet date to provide a period of grace ending at least twelve months after the balance sheet date, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.	
FRS 1.67	In respect of loans classified as current liabilities, if the following events occur between the balance sheet date and the date the financial statements are authorised for issue, those events qualify for disclosure as non-adjusting events in accordance with FRS 10 <i>Events after the Balance Sheet Date</i> :	
	a) refinancing on a long-term basis;	
	b) rectification of a breach of a long-term loan agreement; and	
	c) the receipt from the lender of a period of grace to rectify a breach of a long-term loan agreement ending at least twelve months after the balance sheet date.	
	<i>Information to be presented on the face of the balance sheet</i>	
	As a minimum, the face of the balance sheet shall include line items that present the following amounts (to the extent that they are not presented in accordance with paragraph 68A of FRS 1 – see below):	
FRS 1.68(a)	a) property, plant and equipment;	
FRS 1.68(b)	b) investment property;	
FRS 1.68(c)	c) intangible assets;	
FRS 1.68(d)	d) financial assets (excluding amounts shown under (e), (h) and (i) below);	
FRS 1.68(e)	e) investments accounted for using the equity method;	
FRS 1.68(f)	f) biological assets	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 1.68(g)	g) inventories;	
FRS 1.6(h)	h) trade and other receivables;	
FRS 1.68(i)	i) cash and cash equivalents;	
FRS 1.68(j)	j) trade and other payables;	
FRS 1.68(k)	k) provisions;	
FRS 1.68(l)	l) financial liabilities (excluding amounts shown under (j) and (k) above);	
FRS 1.68(m)	m) liabilities and assets for current tax, as defined in FRS 12 <i>Income Taxes</i> ;	
FRS 1.68(n)	n) deferred tax liabilities and deferred tax assets, as defined in FRS 12;	
FRS 1.68(o)	o) minority interest, presented with equity; and	
FRS 1.68(p)	p) issued capital and reserves attributable to equity holders of the parent.	
FRS 1.71	<p><i>Notes:</i></p> <p>1) <i>FRS 1 does not prescribe the order or format in which items are to be presented. Paragraph 68 of FRS 1 (see above) simply provides a list of items that are sufficiently different in nature or function to warrant separate presentation on the face of the balance sheet.</i></p> <p>2) <i>In addition:</i></p> <ul style="list-style-type: none"> • <i>line items are included when the size, nature or function of an item or aggregation of similar items is such that separate presentation is relevant to an understanding of the entity's financial position; and</i> • <i>the descriptions used and the ordering of items or aggregation of similar items may be amended according to the nature of the entity and its transactions, to provide information that is relevant to an understanding of the entity's financial position.</i> 	
FRS 1.68A(a)	<p>The face of the balance sheet shall also include line items that present the following amounts:</p> <p>a) the total of assets classified as held for sale and assets included in disposal groups classified as held for sale in accordance with FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>; and</p>	
FRS 1.68A(b)	b) liabilities included in disposal groups classified as held for sale in accordance with FRS 105.	
FRS 1.69	Additional line items, headings and sub-totals shall be presented on the face of the balance sheet when such presentation is relevant to an understanding of the entity's financial position.	
FRS 1.72	<p><i>Notes:</i></p> <p>1) <i>The judgement on whether additional items are presented separately is based on an assessment of:</i></p> <ul style="list-style-type: none"> • <i>the nature and liquidity of assets;</i> • <i>the function of assets within the entity; and</i> • <i>the amounts, nature and timing of liabilities.</i> 	
FRS 1.73	2) <i>The use of different measurement bases for different classes of assets suggests that their nature or function differs and, therefore, that they should be presented as separate line items. For example, different classes of property, plant and equipment can be carried at cost or revalued amounts in accordance with FRS 16, Property, Plant and Equipment.</i>	
FRS 1.70	When an entity presents current and non-current assets, and current and non-current liabilities, as separate classifications on the face of its balance sheet, it shall not classify deferred tax assets (liabilities) as current assets (liabilities).	
FRS 1.74	<p><i>Information to be presented either on the face of the balance sheet or in the notes</i></p> <p><i>An entity shall disclose, either on the face of the balance sheet or in the notes, further sub-classifications of the line items presented, classified in a manner appropriate to the entity's operations.</i></p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 1.75	<p><i>Note:</i> The detail provided in sub-classifications depends on the requirements of FRSs and on the size, nature and function of the amounts involved. The factors set out in paragraph 72 of FRS 1 (see above) also are used to decide the basis of sub-classification. The disclosures vary for each item, for example:</p> <ul style="list-style-type: none"> • items of property, plant and equipment are disaggregated into classes in accordance with FRS 16; • receivables are disaggregated into amounts receivable from trade customers, receivables from related parties, prepayments and other amounts; • inventories are sub-classified, in accordance with FRS 2, Inventories, into classifications such as merchandise, production supplies, materials, work in progress and finished goods; • provisions are disaggregated into provisions for employee benefits and other items; and • contributed equity and reserves are disaggregated into various classes, such as paid-in capital, share premium and reserves. 	
	The entity shall disclose the following, either on the face of the balance sheet or in the notes:	
FRS 1.76(a)	<p>a) for each class of share capital:</p> <ol style="list-style-type: none"> i) the number of shares authorised; ii) the number of shares issued and fully paid, and issued but not fully paid; iii) par value per share, or that the shares have no par value; iv) a reconciliation of the number of shares outstanding at the beginning and at the end of the period; v) the rights, preferences and restrictions attaching to that class, including restrictions on the distribution of dividends and the repayment of capital; vi) shares in the entity held by the entity itself or by subsidiaries or associates; and vii) shares reserved for issue under options and contracts for the sale of shares, including the terms and amounts; and 	
FRS 1.76(b)	b) a description of the nature and purpose of each reserve within equity.	
FRS 1.77	An entity without share capital (e.g. a partnership or trust), shall disclose information equivalent to that required by paragraph 76(a) of FRS 1 (see above), showing changes during the period in each category of equity interest, and the rights, preferences and restrictions attaching to each category of equity interest.	
	Income statement	
	<i>Profit or loss for the period</i>	
FRS 1.78	All items of income and expense recognised in a period shall be included in profit or loss unless a Standard or an Interpretation requires otherwise.	
	<i>Notes:</i>	
FRS 1.79	1) <i>Normally, all items of income and expense recognised in a period are included in profit or loss. This includes the effects of changes in accounting estimates. However, circumstances may exist when particular items may be excluded from profit or loss for the current period. FRS 8, Accounting Policies, Changes in Accounting Estimates and Errors, deals with two such circumstances: the correction of errors and the effect of changes in accounting policies.</i>	
FRS 1.80	2) <i>Other Standards deal with items that may meet the definitions of income or expense included in the Framework for the Preparation and Presentation of Financial Statements, but that are usually excluded from profit or loss. Examples include revaluation surpluses (see FRS 16, Property, Plant and Equipment), particular gains and losses arising on translating the financial statements of a foreign operation (see FRS 21, The Effects of Changes in Foreign Exchange Rates) and gains or losses on remeasuring available-for-sale financial assets (see FRS 39, Financial Instruments: Recognition and Measurement).</i>	
	<i>Information to be presented on the face of the income statement</i>	
	As a minimum, the face of the income statement shall include line items that present the following amounts for the period:	
FRS 1.81(a)	a) Revenue;	
FRS 1.81(b)	b) finance costs;	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 1.81(c)	c) share of profit or loss of associates and joint ventures accounted for using the equity method;	
FRS 1.81(d)	d) tax expense;	
FRS 1.81(e)	e) a single amount comprising the total of: <ul style="list-style-type: none"> i) the post-tax profit or loss of discontinued operations; and ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation; and 	
FRS 1.81(f)	f) profit or loss. The following items shall be disclosed on the face of the income statement as allocations of profit or loss for the period:	
FRS 1.82(a)	a) profit or loss attributable to minority interest; and	
FRS 1.82(b)	b) profit or loss attributable to equity holders of the parent.	
FRS 1.83	Additional line items, headings and subtotals shall be presented on the face of the income statement when such presentation is relevant to an understanding of the entity's financial performance.	
FRS 1.84	<i>Note: Additional line items are included on the face of the income statement, and the descriptions used and the ordering of items is amended, when this is necessary to explain the elements of financial performance. Factors to be considered include materiality and the nature and function of the components of income and expenses.</i>	
FRS 1.85	The entity shall <u>not</u> present any items of income and expense as extraordinary items, either on the face of the income statement or in the notes. Information to be presented either on the face of the income statement or in the notes	
FRS 1.86	When items of income and expense are material, their nature and amount shall be disclosed separately.	
FRS 1.87	<i>Note: Circumstances that would give rise to the separate disclosure of items of income and expense include:</i> <ul style="list-style-type: none"> • write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs; • restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring; • disposals of items of property, plant and equipment; • disposals of investments; • discontinued operations; • litigation settlements; and • other reversals of provisions. 	
FRS 1.88	The financial statements shall present an analysis of expenses using a classification based on either the nature of the expenses or their function within the entity, whichever provides information that is reliable and more relevant.	
FRS 1.89	<i>Notes:</i>	
FRS 1.89	1) <i>Entities are encouraged to present the analysis in paragraph 88 of FRS 1 (see above) on the face of the income statement.</i>	
FRS 1.91	2) <i>Under the 'nature of expense' method, expenses are aggregated in the income statement according to their nature (for example, depreciation, purchases of materials, transport costs, employee benefits and advertising costs), and are not reallocated among various functions within the entity. This method may be simple to apply because no allocations of expenses to functional classifications are necessary. See paragraph 91 of FRS 1 for an example of a classification using the nature of expense method.</i>	
FRS 1.92	3) <i>The second form of analysis is the 'function of expense' or 'cost of sales' method, which classifies expenses according to their function as part of cost of sales or, for example, the costs of distribution or administrative activities. At a minimum, an entity discloses its cost of sales under this method separately from other expenses. This method can provide more relevant information to users than the classification of expenses by nature, but allocating costs to functions may require arbitrary allocations and involve considerable judgement. See paragraph 92 of FRS 1 for an example of a classification using the function of expense method.</i>	
FRS 1.93	Entities classifying expenses by function shall disclose additional information on the nature of expenses, including depreciation and amortisation expense and employee benefits expense.	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 1.94	<p><i>Note: Although entities are permitted to select the classification of expenses as described in previous paragraphs because information on the nature of expenses is useful in predicting future cash flows, additional disclosure is required when the function of expense classification is used. In paragraph 93 of FRS 1 (see above), 'employee benefits' has the same meaning as in FRS 19, Employee Benefits.</i></p>	
FRS 1.95	<p>An entity shall disclose, either on the face of the income statement or the statement of changes in equity, or in the notes, the amount of dividends recognised as distributions to equity holders during the period, and the related amount per share.</p>	
	<p>Statement of changes in equity</p>	
	<p>An entity shall present a statement of changes in equity, showing on the face of the statement:</p>	
FRS 1.96(a)	a) profit or loss for the period;	
FRS 1.96(b)	b) each item of income and expense for the period that, as required by other Standards or by Interpretations, is recognised directly in equity, and the total of these items;	
FRS 1.96(c)	c) total income and expense for the period (calculated as the sum of (a) and (b)), showing separately the total amounts attributable to equity holders of the parent and to minority interest; and	
FRS 1.96(d)	d) for each component of equity, the effects of changes in accounting policies and corrections of errors recognised in accordance with FRS 8, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> .	
	<p>In addition, the following items shall be presented, either on the face of the statement of changes in equity, or in the notes to the financial statements:</p>	
FRS 1.97(a)	a) the amounts of transactions with equity holders acting in their capacity as equity holders, showing separately distributions to equity holders;	
FRS 1.97(b)	b) the balance of retained earnings (i.e. accumulated profit or loss) at the beginning of the period and at the balance sheet date, and the changes during the period; and	
FRS 1.97(c)	c) a reconciliation between the carrying amount of each class of contributed equity and reserves at the beginning and end of the period, separately disclosing each change.	
	<p><i>Notes:</i></p>	
FRS 1.101	1) <i>The requirements in paragraphs 96 and 97 of FRS 1 (see above) may be met in various ways. One example is a columnar format that reconciles the opening and closing balances of each element within equity. An alternative is to present only the items set out in paragraphs 96 in the statement of changes in equity. Under this approach, the items described in paragraph 97 are shown in the notes.</i>	
FRS 1.96	2) <i>With effect from the implementation of the amendments to FRS 19, Employee Benefits, issued in June 2005 (see FRS 19 section of this checklist), a statement of changes in equity that comprises only the items listed in paragraph 96 of FRS 1 (see above) shall be titled a statement of recognised income and expense. The effective date for these amendments is 1 January 2006, although earlier adoption is encouraged.</i>	
	<p>Notes to financial statements</p>	
	<p>Structure of notes</p>	
	<p>The notes shall:</p>	
FRS 1.103(a)	a) present information about the basis of preparation of the financial statements and the specific accounting policies used in accordance with paragraphs 108 to 115 of FRS 1(see below);	
FRS 1.103(b)	b) disclose the information required by FRSs that is not presented on the face of the balance sheet, income statement, statement of changes in equity or cash flow statement; and	
FRS 1.103(c)	c) provide additional information that is not presented on the face of the balance sheet, income statement, statement of changes in equity and cash flow statement, but is relevant to an understanding of any of them.	
FRS 1.104	<p>Notes shall, as far as practicable, be presented in a systematic manner.</p>	
	<p><i>Notes:</i></p>	
FRS 1.105	1) <i>Notes are normally presented in the following order, which assists users in understanding the financial statements and comparing them with financial statements of other entities:</i>	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<ul style="list-style-type: none"> • a statement of compliance with FRSs in accordance with paragraph 14 of FRS 1 (see above); • a summary of significant accounting policies in accordance with paragraph 108 of FRS 1 (see below); • supporting information for items presented on the face of the balance sheet, income statement, statement of changes in equity and cash flow statement, in the order in which each statement and each line item is presented; and • other disclosures, including (i) contingent liabilities and unrecognised contractual commitments (see FRS 37, Provisions, Contingent Liabilities and Contingent Assets); and (ii) non-financial disclosures, e.g. the entity's financial risk management objectives and policies (see FRS 32, Financial Instruments: Disclosure and Presentation). 	
FRS 1.106	2) In some circumstances, it may be necessary or desirable to vary the ordering of specific items within the notes. For example, information on changes in fair value recognised in profit or loss may be combined with information on maturities of financial instruments, although the former disclosures relate to the income statement and the latter relate to the balance sheet. Nevertheless, a systematic structure for the notes is retained as far as practicable.	
FRS 1.107	3) Notes providing information about the basis of preparation of the financial statements and specific accounting policies may be presented as a separate component of the financial statements.	
FRS 1.104	Each item on the face of the balance sheet, income statement, statement of changes in equity and cash flow statement shall be cross-referenced to any related information in the notes. Disclosure of accounting policies The entity shall disclose in the summary of significant accounting policies:	
FRS 1.108(a)	a) the measurement basis (or bases) used in preparing the financial statements; and	
FRS 1.108(b)	b) the other accounting policies used that are relevant to an understanding of the financial statements.	
	Notes:	
FRS 1.109	1) It is important for users to be informed of the measurement basis or bases used in the financial statements (for example, historical cost, current cost, net realisable value, fair value or recoverable amount) because the basis on which the financial statements are prepared significantly affects their analysis. When more than one measurement basis is used in the financial statements (e.g. when particular classes of assets are revalued), it is sufficient to provide an indication of the categories of assets and liabilities to which each measurement basis is applied.	
FRS 1.110	2) In deciding whether a particular accounting policy should be disclosed, management considers whether disclosure would assist users in understanding how transactions, other events and conditions are reflected in the reported financial performance and financial position. Disclosure of particular accounting policies is especially useful to users when those policies are selected from alternatives allowed in Standards and Interpretations. An example is disclosure of whether a venturer recognises its interest in a jointly controlled entity using proportionate consolidation or the equity method (see FRS 31, Interests in Joint Ventures). Some Standards specifically require disclosure of particular accounting policies, including choices made by management between different policies they allow. For example, FRS 16, Property, Plant and Equipment, requires disclosure of the measurement bases used for classes of property, plant and equipment. FRS 23, Borrowing Costs, requires disclosure of whether borrowing costs are recognised immediately as an expense or capitalised as part of the cost of qualifying assets.	
FRS 1.111	3) Each entity considers the nature of its operations and the policies that the users of its financial statements would expect to be disclosed for that type of entity. For example, an entity subject to income taxes would be expected to disclose its accounting policies for income taxes, including those applicable to deferred tax liabilities and assets. When an entity has significant foreign operations or transactions in foreign currencies, disclosure of accounting policies for the recognition of foreign exchange gains and losses would be expected. When business combinations have occurred, the policies used for measuring goodwill and minority interest are disclosed.	
FRS 1.112	4) An accounting policy may be significant because of the nature of the entity's operations even if amounts for current and prior periods are not material.	
FRS 1.112	It is appropriate to disclose each significant accounting policy that is not specifically required by FRSs, but is selected and applied in accordance with FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors.	
FRS 1.113	The entity shall disclose, in the summary of significant accounting policies or other notes, the judgements management has made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognised in the financial statements.	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 1.113	<p>Notes:</p> <p>1) <i>Those judgements involving estimations are dealt with under paragraph 116 of FRS 1 (see below).</i></p> <p>2) <i>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 recognised in the financial statements. For example, management makes judgements in determining:</i></p> <ul style="list-style-type: none"> • <i>whether financial assets are held-to-maturity investments;</i> • <i>when substantially all the significant risks and rewards of ownership of financial assets and lease assets are transferred to other entities;</i> • <i>whether, in substance, particular sales of goods are financing arrangements and therefore do not give rise to revenue; and</i> • <i>whether the substance of the relationship between the entity and a special purpose entity indicates that the special purpose entity is controlled by the entity.</i> 	
FRS 1.114		
FRS 1.116	<p>Key sources of estimation uncertainty</p> <p>An entity shall disclose in the notes information about the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.</p> <p>In respect of such assets and liabilities, the notes shall include details of:</p> <p>a) their nature; and</p> <p>b) their carrying amount as at the balance sheet date.</p>	
FRS 1.116(a)		
FRS 1.116(b)		
FRS 1.117	<p>Notes:</p> <p>1) <i>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 balance sheet date. For example, in the absence of recently observed market prices used to measure the following assets and liabilities, 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 used, future changes in salaries and future changes in prices affecting other costs.</i></p> <p>2) <i>The key assumptions and other key sources of estimation uncertainty disclosed in accordance with paragraph 116 of FRS 1 (see above) 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.</i></p> <p>3) <i>The disclosures in paragraph 116 of FRS 1 (see above) 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 balance sheet date, they are measured at fair value based on recently observed market prices (their fair values might change materially within the next financial year but those changes would not arise from assumptions or other sources of estimation uncertainty at the balance sheet date).</i></p>	
FRS 1.118		
FRS 1.119		
FRS 1.120	<p>The disclosures in paragraph 116 of FRS 1 (see above) are presented in a manner that helps users of financial statements to understand the judgements management makes about the future and about other key sources of estimation uncertainty.</p> <p>Notes:</p> <p>1) <i>The nature and extent of the information provided vary according to the nature of the assumptions and other circumstances. Examples of the types of disclosures made are:</i></p> <ul style="list-style-type: none"> • <i>the nature of the assumption or other estimation uncertainty;</i> • <i>the sensitivity of carrying amounts to the methods, assumptions and estimates underlying their calculation, including the reasons for the sensitivity;</i> • <i>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</i> • <i>an explanation of changes made to past assumptions concerning those assets and liabilities, if the uncertainty remains unresolved.</i> 	
FRS 1.120		
FRS 1.121	<p>2) <i>It is not necessary to disclose budget information or forecasts in making the disclosures in paragraph 116 of FRS 1 (see above.)</i></p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 1.122	<p>When it is impracticable to disclose the extent of the possible effects of a key assumption or another key source of estimation uncertainty at the balance sheet date, the entity discloses that it is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions 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.</p>	
	<p>Other disclosures</p>	
	<p>An entity shall disclose in the notes:</p>	
FRS 1.125(a)	<p>a) the amount of dividends proposed or declared before the financial statements were authorised for issue but not recognised as a distribution to equity holders during the period, and the related amount per share; and</p>	
FRS 1.125(b)	<p>b) the amount of any cumulative preference dividends not recognised.</p>	
	<p>An entity shall disclose the following, if not disclosed elsewhere in information published with the financial statements:</p>	
FRS 1.126(a)	<p>a) the domicile and legal form of the entity, its country of incorporation and the address of its registered office address (or principal place of business, if different from the registered office);</p>	
FRS 1.126(b)	<p>b) a description of the nature of the entity's operations and its principal activities; and</p>	
FRS 1.126(c)	<p>c) the name of the parent entity and the ultimate parent of the group.</p>	
	<p>Adoption of Standard before effective date</p>	
FRS 1.127	<p>If an entity has applied FRS 1 for annual periods beginning before January 1, 2005, it shall disclose that fact.</p>	

FRS 2

Inventories

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 2, which prescribes the accounting treatment for inventories. The primary issues are: the costs that may be capitalised as an asset, the subsequent recognition as an expense, including the write-down to net realisable value, and determining the cost formulas to be used in assigning costs to inventories.</i></p>	
	<p>The financial statements shall disclose:</p>	
FRS 2.36(a)	a) the accounting policies adopted in measuring inventories, including the cost formula used;	
FRS 2.36(b)	b) the total carrying amount of inventories;	
FRS 2.36(b)	c) the carrying amount of inventories in classifications appropriate to the entity;	
FRS 2.36(c)	d) the carrying amount of inventories carried at fair value less costs to sell;	
FRS 2.36(d)	e) the amount of inventories recognised as an expense during the period;	
FRS 2.36(e)	f) the amount of any write-down of inventories recognised as an expense in the period;	
FRS 2.36(f)	g) the amount of any reversal of any write-down that is recognised as a reduction in the amount of inventories recognised as expense in the period;	
FRS 2.36(g)	h) the circumstances or events that led to the reversal of a write-down of inventories; and	
FRS 2.36(h)	i) the carrying amount of inventories pledged as security for liabilities.	
	<p><i>Notes:</i></p>	
FRS 2.37	1) <i>Information about the carrying amounts held in different classifications of inventories and the extent of the changes in these assets is useful to financial statement users. Common classifications of inventories are merchandise, production supplies, materials, work in progress and finished goods.</i>	
FRS 2.37	2) <i>The inventories of a service provider may be described as work in progress.</i>	
FRS 2.38	3) <i>The amount of inventories recognised as an expense during the period, which is often referred to as cost of sales, consists of those costs previously included in the measurement of inventory that has now been sold and unallocated production overheads and abnormal amounts of production costs of inventories. The circumstances of the entity may also warrant the inclusion of other amounts, such as distribution costs.</i>	
FRS 2.39	4) <i>Some entities adopt a different format for profit or loss that results in amounts being 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 discloses the costs recognised as an expense for raw materials and consumables, labour costs and other costs together with the amount of the net change in inventories for the period.</i>	
	<p>Adoption of Standard before effective date</p>	
FRS 2.40	If an entity has applied FRS 2 for annual periods beginning before January 1, 2005, it shall disclose that fact.	

FRS 7

Cash Flow Statements

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 7, which prescribes the manner in which a cash-flow statement should be prepared. In particular, it specifies the treatment in cash flow statements of items such as interest, dividends, taxes and the acquisition or disposal of businesses.</i></p> <p><i>Under FRS 7, all entities are required to prepare a cash flow statement as part of their FRS financial statements.</i></p> <p><i>Appendix A accompanying FRS 7 provides a number of illustrative examples of cash flow statements prepared in accordance with the Standard.</i></p>	
	<p>Requirement to present a cash flow statement</p>	
FRS 7.1	An entity shall prepare a cash flow statement in accordance with the requirements of FRS 7 and shall present it as an integral part of its financial statements for each period for which financial statements are presented.	
	<p>Classification of cash flows</p>	
FRS 7.10	The cash flow statement shall report cash flows during the period classified by operating, investing and financing activities.	
	<p><i>Notes:</i></p>	
FRS 7.11	1) <i>An entity presents its cash flows from operating, investing and financing activities in a manner which is most appropriate to its business. Classification by activity provides information that allows users to assess the impact of those activities on the financial position of the entity and the amount of its cash and cash equivalents. This information may also be used to evaluate the relationships among those activities. The definitions of operating, investing and financing activities are set out in paragraph 6 of FRS 7. Paragraphs 13 to 17 of FRS 7 provide extensive guidance on the appropriate classification of cash flows.</i>	
FRS 7.12	2) <i>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.</i>	
	<p>Reporting cash flows from operating activities</p>	
	An entity shall report cash flows from operating activities using either:	
FRS 7.18(a)	a) the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed; or	
FRS 7.18(b)	b) the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.	
FRS 7.19	<i>Note: Entities are encouraged to report cash flows from operating activities using the direct method.</i>	
	<p>Reporting cash flows from investing and financing activities</p>	
FRS 7.21	An entity shall report separately major classes of gross cash receipts and gross cash payments arising from investing and financing activities, except to the extent that the cash flows described in paragraphs 22 and 24 of FRS 7 (see below) are reported on a net basis.	
	<p><i>Notes:</i></p>	
	1) <i>Cash flows arising from the following operating, investing or financing activities may be reported on a net basis:</i>	
FRS 7.22(a)	a) <i>cash receipts and payments on behalf of customers when the cash flows reflect the activities of the customer rather than those of the entity; and</i>	
FRS 7.22(b)	b) <i>cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short.</i>	
FRS 7.23	2) <i>Examples of cash receipts and payments referred to in paragraph 22(a) of FRS 7 are:</i> <ul style="list-style-type: none"> • <i>the acceptance and repayment of demand deposits of a bank;</i> • <i>funds held for customers by an investment entity; and</i> • <i>rents collected on behalf of, and paid over to, the owners of properties.</i> 	
	3) <i>Examples of cash receipts and payments referred to in paragraph 22(b) of FRS 7 are advances made for, and the repayment of:</i> <ul style="list-style-type: none"> • <i>principal amounts relating to credit card customers;</i> • <i>the purchase and sale of investments; and</i> 	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 7.24	<ul style="list-style-type: none"> • other short-term borrowings, for example, those which have a maturity period of three months or less <p>4) Cash flows arising from each of the following activities <u>of a financial institution</u> may be reported on a net basis:</p> <ol style="list-style-type: none"> a) cash receipts and payments for the acceptance and repayment of deposits with a fixed maturity date; b) the placement of deposits with and withdrawal of deposits from other financial institutions; and c) cash advances and loans made to customers and the repayment of those advances and loans. 	
Foreign currency cash flows		
FRS 7.28	The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the cash flow statement in order to reconcile cash and cash equivalents at the beginning and the end of the period.	
FRS 7.28	<i>Note: This amount is presented separately from cash flows from operating, investing and financing activities and includes the differences, if any, had those cash flows been reported at end of period exchange rates.</i>	
Interest and dividends		
FRS 7.31	Cash flows arising from interest and dividends received and paid shall each be disclosed separately.	
FRS 7.31	Cash flows from interest and dividends received and paid shall each be classified in a consistent manner from period to period as either operating, investing or financing activities.	
<i>Notes:</i>		
FRS 7.32	1) <i>The total amount of interest paid during a period is disclosed in the cash flow statement whether it has been recognised as an expense in the income statement or capitalised in accordance with the allowed alternative treatment in FRS 23, Borrowing Costs.</i>	
FRS 7.33	2) <i>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.</i>	
FRS 7.34	3) <i>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.</i>	
Taxes on income		
FRS 7.35	Cash flows arising from taxes on income shall be separately disclosed.	
FRS 7.35	Cash flows arising from taxes on income shall be classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities.	
<i>Notes:</i>		
FRS 7.36	1) <i>Taxes on income arise on transactions that give rise to cash flows that are classified as operating, investing or financing activities in a cash flow statement. While tax expense may be readily identifiable with investing or financing activities, the related tax cash flows are often impracticable to identify and may arise in a different period from the cash flows of the underlying transaction. Therefore, taxes paid are usually classified as cash flows from operating activities. However, when it is practicable to identify the tax cash flow with an individual transaction that gives rise to cash flows that are classified as investing or financing activities the tax cash flow is classified as an investing or financing activity as appropriate.</i>	
FRS 7.36	2) <i>When tax cash flows are allocated over more than one class of activity, the total amount of taxes paid is disclosed</i>	
Investments in subsidiaries, associates and joint ventures		
FRS 7.37	When accounting for an investment in an associate or a subsidiary accounted for by the use of the equity or cost method, an investor restricts its reporting in the cash flow statement to the cash flows between itself and the investee (e.g. to dividends and advances).	
FRS 7.38	An entity that reports its interest in a jointly controlled entity using proportionate consolidation includes in its consolidated cash flow statement its proportionate share of the jointly controlled entity's cash flows.	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 7.38	<p>An entity that reports its interest in a jointly controlled entity using the equity method includes in its cash flow statement the cash flows in respect of its investments in the jointly controlled entity, and distributions and other payments or receipts between it and the jointly controlled entity.</p>	
	<p>Acquisitions and disposals of subsidiaries and other business units</p>	
FRS 7.39	<p>The aggregate cash flows arising from acquisitions and from disposals of subsidiaries or other business units shall be presented separately and classified as investing activities.</p>	
FRS 7.41	<p><i>Note: The cash flow effects of disposals are not deducted from those of acquisitions.</i></p>	
	<p>An entity shall disclose, in aggregate, in respect of both acquisitions and disposals of subsidiaries or other business units during the period, each of the following:</p>	
FRS 7.40(a)	<p>a) the total purchase or disposal consideration;</p>	
FRS 7.40(b)	<p>b) the portion of the purchase or disposal consideration discharged by means of cash and cash equivalents;</p>	
FRS 7.40(c)	<p>c) the amount of cash and cash equivalents in the subsidiary or business unit acquired or disposed of; and</p>	
FRS 7.40(d)	<p>d) the amount of the assets and liabilities other than cash or cash equivalents in the subsidiary or business unit acquired or disposed of, summarised by each major category.</p>	
FRS 7.42	<p>The aggregate amount of the cash paid or received as purchase or sale consideration is reported in the cash flow statement net of cash and cash equivalents acquired or disposed of.</p>	
	<p>Non-cash transactions</p>	
FRS 7.43	<p>Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from the cash flow statement.</p>	
FRS 7.43	<p>Investing and financing transactions that do not require the use of cash or cash equivalents shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.</p>	
FRS 7.44	<p><i>Note: Many investing and financing activities do not have a direct impact on current cash flows although they do affect the capital and asset structure of an entity. The exclusion of non-cash transactions from the cash flow statement is consistent with the objective of a cash flow statement as these items do not involve cash flows in the current period. Examples of non-cash transactions are:</i></p> <ul style="list-style-type: none"> • <i>the acquisition of assets either by assuming directly related liabilities or by means of a finance lease;</i> • <i>the acquisition of an entity by means of an equity issue; and</i> • <i>the conversion of debt to equity.</i> 	
	<p>Components of cash and cash equivalents</p>	
FRS 7.45	<p>An entity shall disclose the components of cash and cash equivalents.</p>	
FRS 7.45	<p>An entity shall present a reconciliation of the amounts for cash and cash equivalents in its cash flow statement with the equivalent items reported in the balance sheet.</p>	
FRS 7.46	<p>In order to comply with FRS 1 <i>Presentation of Financial Statements</i>, an entity discloses the policy that it adopts in determining the composition of cash and cash equivalents.</p>	
FRS 7.47	<p>The effect of any change in the policy for determining components of cash and cash equivalents (e.g. a change in the classification of financial instruments previously considered to be part of an entity's investment portfolio), is reported in accordance with FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>.</p>	
	<p>Other disclosures</p>	
FRS 7.48	<p>An entity shall disclose, together with a commentary by management, the amount of significant cash and cash equivalent balances held by the entity that are not available for use by the group.</p>	
FRS 7.49	<p><i>Note: Examples include cash and cash equivalent balances held by a subsidiary that operates in a country where exchange controls or other legal restrictions apply when the balances are not available for general use by the parent or other subsidiaries.</i></p>	
FRS 7.50	<p>The entity is encouraged to disclose additional information that may be relevant to users in understanding the financial position and liquidity of the entity, together with a commentary by management.</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 7.50	<p data-bbox="309 331 657 353"><i>Note: Such disclosures may include:</i></p> <ul data-bbox="384 371 1340 622" style="list-style-type: none"> <li data-bbox="384 371 1340 421">• <i>the amount of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities;</i> <li data-bbox="384 439 1340 488">• <i>the aggregate amounts of the cash flows from each of operating, investing and financing activities related to interests in joint ventures reported using proportionate consolidation;</i> <li data-bbox="384 506 1340 555">• <i>the aggregate amount of cash flows that represent increases in operating capacity separately from those cash flows that are required to maintain operating capacity; and</i> <li data-bbox="384 573 1340 622">• <i>the amount of the cash flows arising from the operating, investing and financing activities of each reported industry and geographical segment (see FRS 14, Segment Reporting).</i> 	

FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 8, which prescribes the criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors.</i></p> <p><i>Disclosure requirements for accounting policies, except those for changes in accounting policies, are set out in FRS 1, Presentation of Financial Statements (see relevant section of this checklist).</i></p> <p><i>The Implementation Guidance accompanying FRS 8 provides illustrations of the retrospective restatement of errors, and the retrospective and prospective application of changes in accounting policies.</i></p>	
FRS 8.19	<p>Changes in accounting policies</p> <p>Applying changes in accounting policies</p> <p>Subject to paragraph 23 of FRS 8 (see below):</p> <ol style="list-style-type: none"> an entity shall account for a change in accounting policy resulting from the initial application of a Standard or an Interpretation in accordance with the specific transitional provisions, if any, in that Standard or Interpretation; and when an entity changes an accounting policy upon initial application of a Standard or an Interpretation that does not include specific transitional provisions applying to that change, or changes an accounting policy voluntarily, it shall apply the change retrospectively. 	
FRS 8.5	<p><i>Notes:</i></p> <ol style="list-style-type: none"> <i>Retrospective application is applying a new accounting policy to transactions, other events and conditions as if that policy had always been applied.</i> 	
FRS 8.14	<ol style="list-style-type: none"> <i>An entity shall change an accounting policy only if the change:</i> <ul style="list-style-type: none"> <i>is required by a Standard or an Interpretation; or</i> <i>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.</i> 	
FRS 8.16	<ol style="list-style-type: none"> <i>The following are not changes in accounting policies:</i> <ul style="list-style-type: none"> <i>the application of an accounting policy for transactions, other events or conditions that differ in substance from those previously occurring; and</i> <i>the application of a new accounting policy for transactions, other events or conditions that did not occur previously or were immaterial.</i> 	
FRS 8.17,18	<p><i>The initial application of a policy to revalue assets in accordance with FRS 16, Property, Plant and Equipment, or FRS 38, Intangible Assets, is a change in an accounting policy to be dealt with as a revaluation in accordance with FRS 16 or FRS 38, rather than in accordance with FRS 8. Paragraphs 19 to 31 of FRS 8 do not apply to such changes in accounting policy.</i></p>	
FRS 8.20	<ol style="list-style-type: none"> <i>For the purposes of FRS 8, early application of a Standard or an Interpretation is not a voluntary change in accounting policy.</i> 	
FRS 8.21	<ol style="list-style-type: none"> <i>In the absence of a Standard or an Interpretation that specifically applies to a transaction, other event or condition, management may, in accordance with paragraph 12 of FRS 8, apply an accounting policy from the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards. If following an amendment of such a pronouncement, the entity chooses to change an accounting policy, that change is accounted for and disclosed as a voluntary change in accounting policy.</i> 	
FRS 8.22	<p>Subject to paragraph 23 of FRS 8 (see below), when a change in accounting policy is applied retrospectively in accordance with paragraphs 19(a) or 19(b) of FRS 8 (see above), the entity shall adjust the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented, as if the new accounting policy had always been applied.</p>	
FRS 8.26	<p><i>Note: Usually the adjustment is made to retained earnings. However, the adjustment may be made to another component of equity (for example, to comply with a Standard or an Interpretation).</i></p>	
FRS 8.23	<p>When retrospective application is required by paragraphs 19(a) or 19(b) of FRS 8 (see above), a change in accounting policy shall be applied retrospectively except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the change.</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 8.5	<p><i>Notes:</i></p> <p>1) <i>Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. For a particular prior period, it is impracticable to apply a change in an accounting policy retrospectively or to make a retrospective restatement to correct an error if:</i></p> <ul style="list-style-type: none"> • <i>the effects of the retrospective application or retrospective restatement are not determinable;</i> • <i>the retrospective application or retrospective restatement requires assumptions about what management's intent would have been in that period; or</i> • <i>the retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that:</i> <ul style="list-style-type: none"> - <i>provides evidence of circumstances that existed on the date(s) as at which those amounts are to be recognised, measured or disclosed; and</i> - <i>would have been available when the financial statements for that prior period were authorised for issue.</i> 	
FRS 8.50 to 53	<p>2) <i>Paragraphs 50 to 53 of FRS 8 provide further guidance on when it is impracticable to apply a new accounting policy to one or more prior periods.</i></p>	
FRS 8.24	<p>When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information for one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of assets and liabilities as at the beginning of the earliest period for which retrospective application is practicable, which may be the current period, and shall make a corresponding adjustment to the opening balance of each affected component of equity for that period.</p>	
FRS 8.25	<p>When it is impracticable to determine the cumulative effect, at the beginning of the current period, of applying a new accounting policy to all prior periods, the entity shall adjust the comparative information to apply the new accounting policy prospectively from the earliest date practicable.</p>	
FRS 8.5	<p><i>Note: Prospective application of a change in accounting policy is the application of the new accounting policy to transactions, other events and conditions occurring after the date on which the policy is changed.</i></p>	
FRS 8.26	<p>When a change in accounting policy is applied retrospectively, any other information about prior periods, such as historical summaries of financial data, is also adjusted as far back as is practicable.</p>	
	<p><i>Disclosure of changes in accounting policies</i></p>	
	<p>When initial application of a Standard or an Interpretation 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:</p>	
FRS 8.28(a)	<p>a) the title of the Standard or Interpretation;</p>	
FRS 8.28(b)	<p>b) when applicable, that the change in accounting policy has been made in accordance with its transitional provisions;</p>	
FRS 8.28(c)	<p>c) the nature of the change in accounting policy;</p>	
FRS 8.28(d)	<p>d) when applicable, a description of the transitional provisions;</p>	
FRS 8.28(e)	<p>e) when applicable, the transitional provisions that might have an effect on future periods;</p>	
FRS 8.28(f)	<p>f) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment:</p> <ul style="list-style-type: none"> i) for each financial statement line item affected; and ii) if FRS 33 <i>Earnings per Share</i> applies to the entity, for basic and diluted earnings per share; 	
FRS 8.28(g)	<p>g) the amount of the adjustment relating to periods before those presented, to the extent practicable; and</p>	
FRS 8.28(h)	<p>h) if retrospective application required by paragraph 19(a) or (b) of FRS 8 (see above) is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.</p>	
FRS 8.28	<p><i>Note: Financial statements of subsequent periods need not repeat the disclosures required by paragraph 28 of FRS 8.</i></p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 8.29(a) FRS 8.29(b) FRS 8.29(c) FRS 8.29(d) FRS 8.29(e)	<p>When a voluntary change in accounting policy has an effect on the current period or any prior period, would have an effect on that period except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose:</p> <p>a) the nature of the change in accounting policy;</p> <p>b) the reasons why applying the new accounting policy provides reliable and more relevant information;</p> <p>c) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment:</p> <p>i) for each financial statement line item affected; and</p> <p>ii) if FRS 33 <i>Earnings per Share</i> applies to the entity, for basic and diluted earnings per share;</p> <p>d) the amount of the adjustment relating to periods before those presented, to the extent practicable; and</p> <p>e) if retrospective application is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.</p>	
FRS 8.29	<p><i>Note: Financial statements of subsequent periods need not repeat the disclosures required by paragraph 29 of FRS 8.</i></p>	
FRS 8.30(a) FRS 8.30(b)	<p>When an entity has not applied a new Standard or Interpretation that has been issued but is not yet effective, the entity shall disclose:</p> <p>a) this fact; and</p> <p>b) known or reasonably estimable information relevant to assessing the possible impact that application of the new Standard or Interpretation will have on the entity's financial statements in the period of initial application.</p>	
FRS 8.31	<p><i>Note:</i></p> <p><i>In complying with paragraph 30 of FRS 8, an entity considers disclosing:</i></p> <ul style="list-style-type: none"> • <i>the title of the new Standard or Interpretation;</i> • <i>the nature of the impending change or changes in accounting policy;</i> • <i>the date by which application of the Standard or Interpretation is required;</i> • <i>the date as at which it plans to apply the Standard or Interpretation initially; and</i> • <i>either:</i> <ul style="list-style-type: none"> - <i>a discussion of the impact that initial application of the Standard or Interpretation is expected to have on the entity's financial statements; or</i> - <i>if that impact is not known or reasonably estimable, a statement to that effect.</i> 	
	<p>Changes in accounting estimates</p> <p><i>Recognising the effect of a change in accounting estimate</i></p>	
FRS 8.36	<p>The effect of a change in an accounting estimate, other than a change to which paragraph 37 of FRS 8 (see below) applies, shall be recognised prospectively by including it in profit or loss in:</p> <p>a) the period of the change, if the change affects that period only; or</p> <p>b) the period of the change and future periods, if the change affects both.</p>	
FRS 8.37	<p>To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of equity, it shall be recognised by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.</p>	
FRS 8.38	<p><i>Note: Prospective recognition of the effect of a change in an accounting estimate means that the change is applied to transactions, other events and conditions from the date of the change in estimate. A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. For example, a change in the estimate of the amount of bad debts affects only the current period's profit or loss and therefore is recognised in the current period. However, a change in the estimated useful life of, or the expected pattern of consumption of the future economic benefits embodied in, a depreciable asset affects depreciation expense for the current period and for each future period during the asset's remaining useful life. In both cases, the effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.</i></p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
	Disclosing the effect of a change in accounting estimate	
FRS 8.39	An entity shall disclose the nature and amount of a change in an accounting estimate that has an effect in the current period or which is expected to have an effect in future periods, except for the disclosure of the effect on future periods when it is impracticable to estimate that effect.	
FRS 8.40	If the amount of the effect in future periods is not disclosed because estimating it is impracticable, the entity shall disclose that fact.	
FRS 34.26	If an estimate of an amount reported in an interim period changed significantly during the final interim period of the financial year, but a separate financial report is not published for that final interim period, the entity shall disclose the nature and amount of that change in estimate in a note to the annual financial statements for that financial year.	
FRS 34.27	<i>Note: The disclosure required by the paragraph 26 of FRS 34, Interim Financial Reporting, is consistent with the FRS 8 requirement and is intended to be narrow in scope - relating only to the change in estimate. An entity is not required to include additional interim period financial information in its annual financial statements.</i>	
	Errors	
	<i>Notes:</i>	
FRS 8.5	<p>1) <i>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:</i></p> <ul style="list-style-type: none"> • <i>was available when financial statements for those periods were authorised for issue; and</i> • <i>could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.</i> <p><i>Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.</i></p>	
FRS 8.48	2) <i>Corrections of errors are distinguished from changes in accounting estimates (see above). Accounting estimates, by their nature, are approximations that may need revision as additional information becomes known. For example, the gain or loss recognised on the outcome of a contingency is not the correction of an error.</i>	
	Correction of prior period errors	
FRS 8.42	<p>Subject to paragraph 43 of FRS 8 (see below), an entity shall correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:</p> <p>a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or</p> <p>b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.</p>	
FRS 8.43	A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.	
	<i>Notes:</i>	
	1) <i>See the section above headed 'Applying changes in accounting policies' for a discussion of retrospective application, and the circumstances in which it will be impracticable to correct an error for one or more periods. Paragraphs 50 to 53 of FRS 8 provide further guidance in this regard.</i>	
FRS 8.46	2) <i>The correction of a prior period error is excluded from profit or loss for the period in which the error is discovered.</i>	
FRS 8.43	Any information presented about prior periods, including historical summaries of financial data, is restated as far back as is practicable.	
FRS 8.44	When it has been impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable (which may be current period).	
FRS 8.45	When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable.	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>Disclosure of prior period errors</i></p> <p>In correcting prior period errors under paragraph 42 of FRS 8 (see above), the entity shall disclose the following:</p>	
FRS 8.49(a)	a) the nature of the prior period error;	
FRS 8.49(b)	b) for each prior period presented, to the extent practicable, the amount of the correction: <ul style="list-style-type: none"> i) for each financial statement line item affected; and ii) if FRS 33 <i>Earnings per Share</i> applies to the entity, for basic and diluted earnings per share; 	
FRS 8.49(c)	c) the amount of the correction at the beginning of the earliest prior period presented; and	
FRS 8.49(d)	d) if retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.	
FRS 8.49	<i>Note: Financial statements of subsequent periods need not repeat the disclosures required by paragraph 49 of FRS 8.</i>	
	<p>Adoption of Standard before effective date</p>	
FRS 8.54	If the entity has applied FRS 8 for annual periods beginning before January 1, 2005, it shall disclose that fact.	

FRS 10 Events after the Balance Sheet Date

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 10, which prescribes when an entity should adjust its financial statements for events occurring after the balance sheet date, and the disclosures that an entity should give about the date when the financial statements were authorised for issue and about events after the balance sheet date. The principal issue is determining whether a post-balance sheet event is an adjusting or a non-adjusting event.</i></p> <p><i>Events after the balance sheet date are defined as those events, both favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue. The Standard distinguishes two types of events:</i></p> <ul style="list-style-type: none"> • <i>adjusting events - those that provide evidence of conditions that existed at the balance sheet date; and</i> • <i>non-adjusting events - those that are indicative of conditions that arose after the balance sheet date.</i> 	
	<p>Dividends</p> <p>FRS 10.13 If dividends are declared (i.e. the dividends are appropriately authorised and are no longer at the discretion of the entity) after the balance sheet date but before the financial statements are authorised for issue, such dividends are disclosed in the notes in accordance with FRS 1 <i>Presentation of Financial Statements</i>.</p> <p>Notes:</p> <p>FRS 10.12 1) <i>If an entity declares dividends to holders of equity instruments (as defined in FRS 32, Financial Instruments: Disclosure and Presentation) after the balance sheet date, the entity shall not recognise those dividends as a liability at the balance sheet date.</i></p> <p>FRS 1.125(a) 2) <i>FRS 1 requires an entity to disclose the amount of dividends proposed or declared before the financial statements were authorised for issue but not recognised as a distribution to equity holders during the period, and the related amount per share.</i></p>	
	<p>Going concern</p> <p>FRS 10.16 FRS 1 <i>Presentation of Financial Statements</i> specifies required disclosures if:</p> <p>a) the financial statements are not prepared on a going concern basis; or</p> <p>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.</p> <p>Notes:</p> <p>FRS 10.16 1) <i>Refer to the requirements of paragraph 23 of FRS 1 in the relevant section of this checklist.</i></p> <p>FRS 10.16 2) <i>The events or conditions prompting disclosure under paragraph 23 of FRS 1 may arise after the balance sheet date.</i></p> <p>FRS 10.14,15 3) <i>An entity shall not prepare its financial statements on a going concern basis if management determines after the balance sheet date either that it intends to liquidate the entity or to cease trading, or that it has no realistic alternative but to do so. Deterioration in operating results and financial position after the balance sheet date may indicate a need to consider whether the going concern assumption is still appropriate. If the going concern assumption is no longer appropriate, the effect is so pervasive that FRS 10 requires a fundamental change in the basis of accounting, rather than adjustments to the amounts recognised within the original basis of accounting.</i></p>	
	<p>Date of authorisation for issue</p> <p>FRS 10.17 An entity shall disclose the date when the financial statements were authorised for issue and who gave that authorisation.</p> <p>FRS 10.17 If the entity's owners or others have the power to amend the financial statements after issuance, the entity shall disclose that fact.</p>	
	<p>Updating disclosures about conditions at the balance sheet date</p> <p>FRS 10.19 If an entity has received information after the balance sheet date about conditions that existed at the balance sheet, it shall update disclosures that relate to those conditions, in the light of the new information.</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 10.20	<p><i>Note: In some cases, an entity needs to update the disclosures in its financial statements to reflect information received after the balance sheet date, even when the information does not affect the amounts that it recognises in its financial statements. One example of the need to update disclosures is when evidence becomes available after the balance sheet date about a contingent liability that existed at the balance sheet date. In addition to considering whether it should recognise or change a provision under FRS 37, Provisions, Contingent Liabilities and Contingent Assets, an entity updates its disclosures about the contingent liability in the light of that evidence.</i></p>	
	<p>Non-adjusting events after the balance sheet date</p>	
	<p>The entity shall disclose the following information for each material category of non-adjusting event after the balance sheet date:</p>	
FRS 10.21(a)	a) the nature of the event; and	
FRS 10.21(b)	b) an estimate of its financial effect, or a statement that such an estimate cannot be made.	
	<p><i>Notes:</i></p>	
FRS 10.10	1) <i>An entity shall not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the balance sheet date.</i>	
FRS 10.22	<p>2) <i>The following are examples of non-adjusting events after the balance sheet date that would generally result in disclosure:</i></p> <ul style="list-style-type: none"> • <i>a major business combination after the balance sheet date (FRS 103, Business Combinations, requires specific disclosures in such cases) or disposing of a major subsidiary;</i> • <i>announcing a plan to discontinue an operation;</i> • <i>major purchases of assets, classification of assets as held for sale in accordance with FRS 105, Non-current Assets Held for Sale and Discontinued Operations, other disposals of assets, or expropriation of major assets by government;</i> • <i>the destruction of a major production plant by a fire after the balance sheet date;</i> • <i>announcing, or commencing the implementation of, a major restructuring (see FRS 37, Provisions, Contingent Liabilities and Contingent Assets);</i> • <i>major ordinary share transactions and potential ordinary share transactions after the balance sheet date (FRS 33, Earnings per Share, requires an entity to disclose a description of such transactions, other than when such transactions involve capitalisation or bonus issues, share splits or reverse share splits, all of which are required to be adjusted under FRS 33);</i> • <i>abnormally large changes after the balance sheet date in asset prices or foreign exchange rates;</i> • <i>changes in tax rates or tax laws enacted or announced after the balance sheet date that have a significant effect on current and deferred tax assets and liabilities (see FRS 12, Income Taxes);</i> • <i>entering into significant commitments or contingent liabilities, for example, by issuing significant guarantees; and</i> • <i>commencing major litigation arising solely out of events that occurred after the balance sheet date.</i> 	
	<p>Adoption of Standard before effective date</p>	
FRS 10.23	<p>If the entity has applied FRS 10 for annual periods beginning before January 1, 2005, it shall disclose that fact.</p>	

FRS 11 Construction Contracts

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 11, which should be applied in accounting for construction contracts in the financial statements of contractors. A construction contract is defined as a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. The term contractor is not defined.</i></p> <p><i>The examples accompanying FRS 11 illustrate the disclosures required by the Standard.</i></p> <p>An entity shall disclose:</p>	
FRS 11.39(a)	a) the amount of contract revenue recognised as revenue in the period;	
FRS 11.39(b)	b) the methods used to determine the contract revenue recognised in the period; and	
FRS 11.39(c)	c) the methods used to determine the stage of completion of contracts in progress.	
	An entity shall disclose each of the following for contracts in progress at the balance sheet date:	
FRS 11.40(a)	a) the aggregate amount of costs incurred and recognised profits (less recognised losses) to date;	
FRS 11.40(b)	b) the amount of advances received; and	
FRS 11.40(c)	c) the amount of retentions.	
	An entity shall present:	
FRS 11.42(a)	a) the gross amount due from customers for contract work as an asset; and	
FRS 11.42(b)	b) the gross amount due to customers for contract work as a liability.	
	<i>Notes:</i>	
FRS 11.43	<p>1) <i>The gross amount due from customers for contract work is the net amount of:</i></p> <p>a) <i>costs incurred plus recognised profits; less</i></p> <p>b) <i>the sum of recognised losses and progress billings</i></p> <p><i>for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings.</i></p>	
FRS 11.44	<p>2) <i>The gross amount due to customers for contract work is the net amount of:</i></p> <p>a) <i>costs incurred plus recognised profits; less</i></p> <p>b) <i>the sum of recognised losses and progress billings</i></p> <p><i>for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).</i></p>	
FRS 11.45	An entity discloses any contingent liabilities and contingent assets in accordance with FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> , which may arise from such items as warranty costs, claims, penalties or possible losses.	

FRS 12

Income Taxes

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 12 which prescribes the accounting treatment for income taxes.</i></p> <p><i>FRS 12 uses the 'balance sheet approach'/'balance sheet liability method' to determine the amount of deferred tax liabilities or assets. Under this method, the carrying amount of assets and liabilities are compared to their 'tax bases', and any resulting difference is either a taxable temporary difference or a deductible temporary difference. The Standard prescribes the criteria for the recognition and measurement of deferred tax liabilities or assets that arise from these temporary differences.</i></p> <p><i>For the purposes of FRS 12, income taxes include all domestic and foreign taxes that are based on taxable profits. Income taxes also include taxes, such as withholding taxes, that are payable by a subsidiary, associate or joint venture on distributions to the reporting entity. Taxes that are based on some other variable (e.g. revenue or salaries) are excluded from the scope of FRS 12.</i></p> <p><i>Appendix B to FRS 12 illustrates the Standard's presentation and disclosure requirements.</i></p>	
	<p>Presentation</p> <p><i>Offset of tax assets and liabilities</i></p>	
FRS 12.71	<p>An entity shall offset current tax assets and current tax liabilities if, and only if, the entity:</p> <ol style="list-style-type: none"> has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. 	
	<p><i>Notes:</i></p>	
FRS 12.72	<p><i>1) Although current tax assets and liabilities are separately recognised and measured, they are offset in the balance sheet subject to criteria similar to those established for financial instruments in FRS 32, Financial Instruments: Disclosure and Presentation. An entity will normally have a legally enforceable right to set off a current tax asset against a current tax liability when they relate to income taxes levied by the same taxation authority and the taxation authority permits the entity to make or receive a single net payment.</i></p>	
FRS 12.73	<p><i>2) In consolidated financial statements, a current tax asset of one entity in a group is offset against a current tax liability of another entity in the group if, and only if, the entities concerned have a legally enforceable right to make or receive a single net payment and the entities intend to make or receive such a net payment or to recover the asset and settle the liability simultaneously.</i></p>	
FRS 12.74	<p>An entity shall offset deferred tax assets and deferred tax liabilities if, and only if:</p> <ol style="list-style-type: none"> there is a legally enforceable right to set off current tax assets against current tax liabilities (see above); and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either: <ol style="list-style-type: none"> the same taxable entity; or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered. 	
	<p><i>Notes:</i></p>	
FRS 12.75	<p><i>1) To avoid the need for detailed scheduling of the timing of the reversal of each temporary difference, FRS 12 requires an entity to set off a deferred tax asset against a deferred tax liability of the same taxable entity if, and only if, they relate to income taxes levied by the same taxation authority and the entity has a legally enforceable right to set off current tax assets against current tax liabilities.</i></p>	
FRS 12.76	<p><i>2) In rare circumstances, an entity may have a legally enforceable right of set-off, and an intention to settle net, for some periods but not for others. In such rare circumstances, detailed scheduling may be required to establish reliably whether the deferred tax liability of one taxable entity will result in increased tax payments in the same period in which a deferred tax asset of another taxable entity will result in decreased payments by that second taxable entity.</i></p>	
	<p><i>Tax expense</i></p>	
FRS 12.77	<p>The tax expense (income) related to profit or loss from ordinary activities shall be presented on the face of the income statement.</p>	
FRS 12.78	<p>Where exchange differences on deferred foreign tax liabilities or assets are recognised in the income statement, such differences may be classified as deferred tax expense (income) if that presentation is considered to be the most useful to financial statement users.</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 12.78	<p><i>Note: FRS 21, The Effects of Changes in Foreign Exchange Rates, requires certain exchange differences to be recognised as income or expense but does not specify where such differences should be presented in the income statement.</i></p>	
	<p>Disclosure</p>	
FRS 12.79	<p>The major components of tax expense/income shall be separately disclosed.</p>	
FRS 12.80	<p><i>Note: Components of tax expense (income) may include:</i></p> <ul style="list-style-type: none"> • <i>current tax expense (income);</i> • <i>any adjustments recognised in the period for current tax of prior periods;</i> • <i>the amount of deferred tax expense (income) relating to the origination and reversal of temporary differences;</i> • <i>the amount of deferred tax expense (income) relating to changes in tax rates or the imposition of new taxes;</i> • <i>the amount of the benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce current tax expense;</i> • <i>the amount of the benefit from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce deferred tax expense;</i> • <i>deferred tax expense arising from the write-down, or reversal of a previous write-down, of a deferred tax asset in accordance with paragraph 56 of FRS 12; and</i> • <i>the amount of tax expense (income) relating to those changes in accounting policies and errors that are included in profit or loss in accordance with FRS 8, Accounting Policies, Changes in Accounting Estimates and Errors, because they cannot be accounted for retrospectively.</i> 	
	<p>The following shall also be disclosed separately:</p>	
FRS 12.81(a)	<p>a) the aggregate current and deferred tax relating to items that are charged or credited to equity;</p>	
FRS 12.81(c)	<p>b) an explanation of the relationship between tax expense (income) and accounting profit in either or both of the following forms:</p> <ol style="list-style-type: none"> i) a numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s), disclosing also the basis on which the applicable tax rate(s) is (are) computed; or ii) a numerical reconciliation between the average effective tax rate and the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed; 	
	<p><i>Notes:</i></p>	
FRS 12.86	<p>1) <i>The average effective tax rate is the tax expense (income) divided by the accounting profit.</i></p>	
FRS 12.84	<p>2) <i>The disclosures required by paragraph 81(c) of FRS 12(see above) enable users of financial statements to understand whether the relationship between tax expense (income) and accounting profit is unusual and to understand the significant factors that could affect that relationship in the future. The relationship between tax expense (income) and accounting profit may be affected by such factors as revenue that is exempt from taxation, expenses that are not deductible in determining taxable profit (tax loss), the effect of tax losses and the effect of foreign tax rates.</i></p>	
FRS 12.85	<p>3) <i>In explaining the relationship between tax expense (income) and accounting profit, an entity uses an applicable tax rate that provides the most meaningful information to the users of its financial statements. Often, the most meaningful rate is the domestic rate of tax in the country in which the entity is domiciled, aggregating the tax rate applied for national taxes with the rates applied for any local taxes which are computed on a substantially similar level of taxable profit (tax loss). However, for an entity operating in several jurisdictions, it may be more meaningful to aggregate separate reconciliations prepared using the domestic rate in each individual jurisdiction. Paragraph 85 of FRS 12 includes an example that illustrates how the selection of the applicable tax rate affects the presentation of the numerical reconciliation.</i></p>	
FRS 12.81(d)	<p>c) an explanation of changes in the applicable tax rate(s) compared to the previous accounting period;</p>	
FRS 12.81(e)	<p>d) the amount (and expiry date, if any) of deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognised in the balance sheet;</p>	
FRS 12.81(f)	<p>e) the aggregate amount of temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, for which deferred tax liabilities have not been recognised (see paragraph 39 of FRS 12);</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 12.87	<p><i>Note: It would often be impracticable to compute the amount of unrecognised deferred tax liabilities arising from investments in subsidiaries, branches and associates and interests in joint ventures (see paragraph 39 of FRS 12). Therefore, FRS 12 requires an entity to disclose the aggregate amount of the underlying temporary differences but does not require disclosure of the deferred tax liabilities. Nevertheless, where practicable, entities are encouraged to disclose the amounts of the unrecognised deferred tax liabilities because financial statement users may find such information useful.</i></p>	
FRS 12.81(g)	<p>f) in respect of each type of temporary difference, and in respect of each type of unused tax losses and unused tax credits:</p> <p>i) the amount of the deferred tax assets and liabilities recognised in the balance sheet for each period presented; and</p> <p>ii) the amount of the deferred tax income or expense recognised in the income statement, if this is not apparent from the changes in the amounts recognised in the balance sheet;</p>	
FRS 12.81(h)	<p>g) in respect of discontinued operations, the tax expense relating to:</p> <p>i) the gain or loss on discontinuance; and</p> <p>ii) the profit or loss from the ordinary activities of the discontinued operation for the period, together with the corresponding amounts for each prior period presented; and;</p>	
FRS 12.81(i)	<p>h) the amount of income tax consequences of dividends to shareholders of the entity that were proposed or declared before the financial statements were authorised for issue, but are not recognised as a liability in the financial statements.</p>	
FRS 12.82(a)	<p>Where the utilisation of a deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences, an entity shall disclose the amount of the deferred tax asset and the nature of the evidence supporting its recognition.</p>	
FRS 12.82(b)	<p>Where the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which a deferred tax asset relates, the entity shall disclose the amount of the deferred tax asset and the nature of the evidence supporting its recognition.</p> <p>Where the circumstances described in paragraph 52A of FRS 12 apply (see below), the entity shall disclose:</p>	
FRS 12.82A	<p>a) the nature of the potential income tax consequences that would result from the payment of dividends to its shareholders;</p>	
FRS 12.82A	<p>b) the amounts of the potential income tax consequences practicably determinable and whether there are any potential income tax consequences not practicably determinable; and</p>	
FRS 12.87A	<p>c) the important features of the income tax systems and the factors that will affect the amount of the potential income tax consequences of dividends.</p>	
FRS 12.52A	<p><i>Notes:</i></p> <p>1) Paragraph 52A of FRS 12 discusses the circumstances in some jurisdictions where income taxes are payable at a higher or lower rate if part or all of the net profit or retained earnings is paid out as a dividend to shareholders of the entity, and jurisdictions where income taxes may be refundable or payable if part or all of the net profit or retained earnings is paid out as a dividend to shareholders of the entity. In these circumstances, current and deferred tax assets and liabilities are measured at the tax rate applicable to undistributed profits.</p>	
FRS 12.87B, 87C	<p>2) Paragraphs 87B and 87C of FRS 12 provide further guidance in respect of meeting the disclosure requirements of paragraph 82A of FRS 12 (see above).</p>	
FRS 12.88	<p>An entity discloses any tax-related contingent liabilities and contingent assets in accordance with FRS 37 <i>Provisions, Contingent Assets and Contingent Liabilities</i>.</p>	
FRS 12.88	<p><i>Note: Contingent liabilities and contingent assets may arise, for example, from unresolved disputes with the taxation authorities.</i></p>	
FRS 12.88	<p>Where changes in tax rates or tax laws are enacted or announced after the balance sheet date, an entity discloses any significant effect of those changes on its current and deferred tax assets and liabilities, in accordance with the general principles of FRS 10 <i>Events after the Balance Sheet Date</i>.</p>	

FRS 14 Segment Reporting

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 14, which deals with the reporting of segmental information. The principal issues relate to the determination of reportable segments, which segments are reportable and the classification of primary and secondary information.</i></p> <p><i>FRS 14 shall be applied by entities whose equity or debt securities are publicly traded, and by entities that are in the process of issuing equity or debt securities in public securities markets. If an entity whose securities are not publicly traded chooses to disclose segment information voluntarily in financial statements that comply with FRSs, that entity shall comply fully with the requirements of FRS 14.</i></p> <p><i>When both parent and consolidated financial statements are presented, segment information need be presented only on the basis of the consolidated financial statements. When separate financial statements of an equity method associate or joint venture are included in the financial report of the investing entity, segment information need be presented only on the basis of the investing entity's financial statements. If any subsidiary or equity method associate or joint venture is itself an entity whose securities are publicly traded, it should present segment information in its own financial report.</i></p> <p><i>Refer to paragraphs 8 to 25 of FRS 14 for the definitions of terms used in the Standard.</i></p> <p><i>Appendix B to FRS 14 illustrates the segment disclosures required by the Standard.</i></p>	
FRS 14.25	<p>Disclosure of segment accounting policies</p> <p>The accounting policies disclosed by the entity include any additional segment accounting policies that relate specifically to segment reporting, such as identification of segments, method of pricing inter-segment transfers, and basis for allocating revenues and expenses to segments.</p>	
FRS 14.26	<p>Identifying reportable segments</p> <p>Primary and secondary reporting formats</p> <p>The dominant source and nature of an entity's risks and returns shall govern whether its primary segment reporting format will be business segments or geographical segments:</p>	
FRS 14.27	<p>a) if the entity's risks and rates of return are affected predominantly by differences in the products and services it produces, its primary format for reporting segment information shall be business segments, with secondary information reported geographically; and</p> <p>b) if the entity's risks and rates of return are affected predominantly by the fact that it operates in different countries or other geographical areas, its primary format for reporting segment information shall be geographical segments, with secondary information reported for groups of related products and services.</p> <p><i>Notes:</i></p> <p>1) <i>An entity's internal organisational and management structure and its system of internal financial reporting to the board of directors and the chief executive officer shall be the basis for identifying the predominant source and nature of risks and differing rates of return facing the entity and, therefore, for determining which reporting format is primary and which is secondary, except as provided in paragraphs 27(a) and 27(b) of FRS 14 (see below).</i></p>	
FRS 14.28	<p>2) <i>Therefore, except in rare circumstances, an entity will report segment information in its financial statements on the same basis as it reports internally to top management.</i></p>	
FRS 14.27(a)	<p>If an entity's risks and rates of return are strongly affected both by differences in the products and services it produces and by differences in the geographical areas in which it operates, as evidenced by a "matrix approach" to managing the company and to reporting internally to the board of directors and the chief executive officer, then the entity shall use business segments as its primary segment reporting format and geographical segments as its secondary reporting format.</p>	
FRS 14.29	<p><i>Note: A "matrix presentation" — both business segments and geographical segments as primary segment reporting formats with full segment disclosures on each basis — often will provide useful information if an entity's risks and rates of return are strongly affected both by differences in the products and services it produces and by differences in the geographical areas in which it operates. FRS 14 does not require, but does not prohibit, a "matrix presentation."</i></p>	
FRS 14.27(b)	<p>If an entity's internal organisational and management structure and its system of internal financial reporting to the board of directors and the chief executive officer are based neither on individual products or services or on groups of related products/services nor on geography, the directors and management of the entity shall determine whether the entity's risks and returns are related more to the products and services it produces or more to the geographical areas in which it operates and, as a consequence, shall choose either business segments or geographical segments as the entity's primary segment reporting format, with the other as its secondary reporting format.</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<i>Business and geographical segments</i>	
FRS 14.31	An entity's business and geographical segments for external reporting purposes shall be those organisational units for which information is reported to the board of directors and to the chief executive officer for the purpose of evaluating the unit's past performance and for making decisions about future allocations of resources, except as provided in paragraph 32 of FRS 14 (see below).	
FRS 14.32	In the circumstances outlined in paragraph 27(b) of FRS 14 (see above), the directors and management of the entity shall choose either business segments or geographical segments as the entity's primary segment reporting format based on their assessment of which reflects the primary source of the entity's risks and returns, with the other its secondary reporting format. The directors and management of the entity must determine its business segments and geographical segments for external reporting purposes based on the factors in the definitions in paragraph 9 of FRS 14, rather than on the basis of its system of internal financial reporting to the board of directors and chief executive officer, consistent with the following:	
FRS 14.32(a)	a) if one or more of the segments reported internally to the directors and management is a business segment or a geographical segment based on the factors in the definitions in paragraph 9 of FRS 14, but others are not, the requirements of paragraph 32(b) of FRS 14 (see below) shall be applied only to those internal segments that do not meet the definitions in paragraph 9 of FRS 14;	
FRS 14.32(a)	<i>Note: Therefore, an internally reported segment that meets the definition shall not be further segmented.</i>	
FRS 14.32(b)	b) for those segments reported internally to the directors and management that do not satisfy the definitions in paragraph 9 of FRS 14, management of the entity shall look to the next lower level of internal segmentation that reports information along product and service lines or geographical lines, as appropriate under the definitions in paragraph 9; and	
FRS 14.32(c)	c) if such an internally reported lower-level segment meets the definition of business segment or geographical segment based on the factors in paragraph 9 of FRS 14, the criteria in paragraphs 34 and 35 of FRS 14 for identifying reportable segments (see below) shall be applied to that segment.	
	<i>Reportable segments</i>	
FRS 14.34	Two or more internally reported business segments or geographical segments that are substantially similar may be combined as a single business segment or geographical segment.	
FRS 14.34	<i>Note: Two or more business segments or geographical segments are substantially similar only if:</i> <ul style="list-style-type: none"> • they exhibit similar long-term financial performance; and • they are similar in all of the factors in the appropriate definition in paragraph 9 of FRS 14. 	
FRS 14.35	A business segment or geographical segment shall be identified as a reportable segment if a majority of its revenue is earned from sales to external customers and: <ul style="list-style-type: none"> a) its revenue from sales to external customers and from transactions with other segments is 10 per cent or more of the total revenue, external and internal, of all segments; or b) its segment result, whether profit or loss, is 10 per cent or more of the combined result of all segments in profit or the combined result of all segments in loss, whichever is the greater in absolute amount; or c) its assets are 10 per cent or more of the total assets of all segments. 	
	If an internally reported segment is below all of the thresholds of significance in paragraph 35 of FRS 14 (see above):	
FRS 14.36(a)	a) that segment may be designated as a reportable segment despite its size;	
FRS 14.36(b)	b) if not designated as a reportable segment despite its size, that segment may be combined into a separately reportable segment with one or more other similar internally reported segment(s) that are also below all of the thresholds of significance in paragraph 35 of FRS 14 (two or more business segments or geographical segments are similar if they share a majority of the factors in the appropriate definition in paragraph 9 of FRS 14); and	
FRS 14.36(c)	c) if that segment is not separately reported or combined, it shall be included as an unallocated reconciling item.	
FRS 14.37	If total external revenue attributable to reportable segments constitutes less than 75 per cent of the total consolidated or entity revenue, additional segments shall be identified as reportable segments, even if they do not meet the 10 per cent thresholds in paragraph 35 (see above), until at least 75 per cent of total consolidated or entity revenue is included in reportable segments.	
FRS 14.40	FRS 14 encourages, but does not require, the voluntary reporting of vertically integrated activities as separate segments, with appropriate description including disclosure of the basis of pricing inter-segment transfers (as required by paragraph 75 of FRS 14).	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 14.39	<p><i>Note: By limiting reportable segments to those that earn a majority of their revenue from sales to external customers, FRS 14 does not require that the different stages of vertically integrated operations be identified as separate business segments. However, in some industries, current practice is to report certain vertically integrated activities as separate business segments even if they do not generate significant external sales revenue. For instance, many international oil companies report their upstream activities (exploration and production) and their downstream activities (refining and marketing) as separate business segments even if most or all of the upstream product (crude petroleum) is transferred internally to the entity's refining operation.</i></p>	
FRS 14.41	<p>If an entity's internal reporting system treats vertically integrated activities as separate segments and the entity does not choose to report them externally as business segments (as encouraged by paragraph 40 of FRS 14 – see above), the selling segment shall be combined into the buying segment(s) in identifying externally reportable business segments unless there is no reasonable basis for doing so, in which case the selling segment would be included as an unallocated reconciling item.</p>	
FRS 14.42	<p>A segment identified as a reportable segment in the immediately preceding period because it satisfied the relevant 10 per cent thresholds shall continue to be a reportable segment for the current period notwithstanding that its revenue, result, and assets all no longer exceed the 10 per cent thresholds, if the management of the entity judges the segment to be of continuing significance.</p>	
FRS 14.83	<p><i>Note: Previously reported segments that no longer satisfy the quantitative thresholds are not reported separately. They may no longer satisfy those thresholds, for example, because of a decline in demand or a change in management strategy or because a part of the operations of the segment has been sold or combined with other segments. An explanation of the reasons why a previously reported segment is no longer reported may also be useful in confirming expectations regarding declining markets and changes in entity strategies.</i></p>	
FRS 14.43	<p>If a segment is identified as a reportable segment in the current period because it satisfies the relevant 10 per cent thresholds, prior period segment data that is presented for comparative purposes shall be restated to reflect the newly reportable segment as a separate segment, even if that segment did not satisfy the 10 per cent thresholds in the prior period, unless it is impracticable to do so.</p>	
	<p>Segment accounting policies</p>	
FRS 14.46	<p>An entity may disclose <u>additional</u> segment information that is prepared on a basis other than the accounting policies adopted for the consolidated or entity financial statements, provided that:</p> <ul style="list-style-type: none"> a) such information is reported internally to the board of directors and the chief executive officer for purposes of making decisions about allocating resources to the segment and assessing its performance; and a) the basis of measurement for this additional information is clearly described. 	
	<p><i>Notes:</i></p>	
FRS 14.44	<p>1) Segment information reported under FRS 14 shall be prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the consolidated group or entity.</p>	
FRS 14.46	<p>2) The reporting of additional segment information that is reported internally, prepared on an alternative basis, is permitted by FRS 14, provided that the conditions set out in paragraph 46 of FRS 14 (see above) are met.</p>	
	<p>Disclosure</p>	
FRS 14.49	<p><i>Note: Paragraphs 50 to 67 of FRS 14 specify the disclosures required for reportable segments for an entity's primary segment reporting format. Paragraphs 68 to 72 of FRS 14 identify the disclosures required for an entity's secondary reporting format. Entities are encouraged (but not required) to present all of the primary-segment disclosures identified in paragraphs 50 to 67 for each reportable secondary segment, although paragraphs 68 to 72 require considerably less disclosure on the secondary basis. Paragraphs 74 to 83 address several other segment disclosure matters.</i></p>	
	<p>Disclosures for primary reporting format</p>	
FRS 14.51	<p>An entity shall disclose segment revenue for each reportable segment.</p>	
	<p><i>Note: See paragraph 16 of FRS 14 for the definition of segment revenue.</i></p>	
FRS 14.51	<p>For each reportable segment, an entity shall report separately segment revenue from sales to external customers and segment revenue from transactions with other segments.</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 14.52	An entity shall disclose segment result for each reportable segment.	
	<p><i>Notes:</i></p> <p>1) See paragraph 16 of FRS 14 for the definition of segment result.</p>	
FRS 14.53	2) If an entity can compute segment net profit or loss or some other measure of segment profitability other than segment result without arbitrary allocations, reporting of such amount(s) is <u>encouraged</u> in addition to segment result, appropriately described.	
FRS 14.53	3) If that measure is prepared on a basis other than the accounting policies adopted for the consolidated or entity financial statements, the entity will include in its financial statements a clear description of the basis of measurement.	
FRS 14.54	4) An example of a measure of segment performance above segment result on the income statement is gross margin on sales. Examples of measures of segment performance below segment result on the income statement are profit or loss from ordinary activities (either before or after income taxes) and profit or loss.	
FRS 14.52	For each reportable segment, an entity shall present segment result from continuing operations separately from segment result from discontinued operations.	
FRS 14.52A	An entity shall restate segment results in prior periods presented in the financial statements so that the disclosures required by paragraph 52 of FRS 14 (see above) relating to discontinued operations relate to all operations that had been classified as discontinued at the balance sheet date of the latest period presented.	
FRS 14.55	An entity shall disclose the total carrying amount of segment assets for each reportable segment.	
	<i>Note:</i> See paragraph 16 of FRS 14 for the definition of segment assets.	
FRS 14.56	An entity shall disclose segment liabilities for each reportable segment.	
	<i>Note:</i> See paragraph 16 of FRS 14 for the definition of segment liabilities.	
FRS 14.57	An entity shall disclose the total cost incurred during the period to acquire segment assets that are expected to be used during more than one period (property, plant, equipment, and intangible assets) for each reportable segment.	
FRS 14.57	<i>Note:</i> While this sometimes is referred to as capital additions or capital expenditure, the measurement required by this principle shall be on an accrual basis, not a cash basis.	
FRS 14.58	An entity shall disclose the total amount of expense included in segment result for depreciation and amortisation of segment assets for the period for each reportable segment.	
FRS 14.59	Entities are <u>encouraged</u> , but not required, to disclose the nature and amount of any items of segment revenue and segment expense that are of such size, nature, or incidence that their disclosure is relevant to explain the performance of each reportable segment for the period.	
FRS 14.60	<p><i>Note:</i> Paragraph 86 of FRS 1, Presentation of Financial Statements, requires that when items of income and or expense within profit or loss from ordinary activities are of such size, nature, or incidence that their disclosure is relevant to explain the performance of the entity for the period, the nature and amount of such items should be disclosed separately.</p> <p>Paragraph 59 of FRS 14 is not intended to change the classification of any such items or to change the measurement of such items. The disclosure encouraged by that paragraph, however, does change the level at which the significance of such items is evaluated for disclosure purposes from the entity level to the segment level.</p>	
FRS 14.61	An entity shall disclose, for each reportable segment, the total amount of significant non-cash expenses, other than depreciation and amortisation for which separate disclosure is required by paragraph 58 of FRS 14 (see above), that were included in segment expense and, therefore, deducted in measuring segment result.	
FRS 14.62	Entities are <u>encouraged</u> , but not required:	
	a) to make the cash flow disclosures for its reportable segments that are encouraged by FRS 7 Cash Flow Statements; and	
	b) to separately disclose significant non-cash revenues that were included in segment revenue and, therefore, added in measuring segment result.	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 14.62	<i>Note: FRS 7 requires that an entity present a cash flow statement that separately reports cash flows from operating, investing, and financing activities. FRS 7 notes that disclosing cash flow information for each reportable industry and geographical segment is relevant to understanding the entity's overall financial position, liquidity, and cash flows. FRS 7 encourages the disclosure of such information.</i>	
FRS 14.63	<i>An entity that provides the segment cash flow disclosures that are encouraged by FRS 7 need not also disclose depreciation and amortisation expense pursuant to paragraph 58 of FRS 14 or non-cash expenses pursuant to paragraph 61 of FRS 14 (see above).</i>	
FRS 14.64	An entity shall disclose, for each reportable segment, the aggregate of the entity's share of the net profit or loss of associates, joint ventures, or other investments accounted for under the equity method if substantially all of those associates' (or joint ventures' or other investments') operations are within that single segment.	
FRS 14.65	<i>Note: While a single aggregate amount is disclosed in this regard, each associate, joint venture, or other equity method investment is assessed individually to determine whether its operations are substantially all within a segment.</i>	
FRS 14.66	Where an entity's aggregate share of the net profit or loss of associates, joint ventures, or other investments accounted for under the equity method is disclosed by reportable segment in accordance with paragraph 64 of FRS 14 (see above), the aggregate investments in those associates and joint ventures shall also be disclosed by reportable segment.	
FRS 14.67	<p>An entity shall present a reconciliation between the information disclosed for reportable segments and the aggregated information in the consolidated or individual financial statements, which includes a reconciliation of:</p> <ul style="list-style-type: none"> a) segment revenue to entity revenue from external customers (including disclosure of the amount of entity revenue from external customers not included in any segment's revenue); b) segment result from continuing operations: <ul style="list-style-type: none"> i) to a comparable measure of entity operating profit or loss from continuing operations; and ii) to entity profit or loss from continuing operations; c) segment result from discontinued operations to entity profit or loss from discontinued operations; d) segment assets to entity assets; and e) segment liabilities to entity liabilities. 	
	<i>Disclosures for secondary reporting format</i>	
	If an entity's primary format for reporting segment information is business segments, it shall also report the following information:	
FRS 14.69(a)	a) segment revenue from external customers, by geographical area, based on the geographical location of its customers, for each geographical segment whose revenue from sales to external customers is 10 per cent or more of total entity revenue from sales to all external customers;	
FRS 14.69(b)	b) the total carrying amount of segment assets, by geographical location of assets, for each geographical segment whose segment assets are 10 per cent or more of the total assets of all geographical segments; and	
FRS 14.69(c)	c) the total cost incurred during the period to acquire segment assets that are expected to be used during more than one period (property, plant, equipment, and intangible assets), by geographical location of assets, for each geographical segment whose segment assets are 10 per cent or more of the total assets of all geographical segments.	
	If an entity's primary format for reporting segment information is geographical segments (whether based on location of assets or location of customers), it shall also report the following segment information for each business segment whose revenue from sales to external customers is 10 per cent or more of total entity revenue from sales to all external customers or whose segment assets are 10 per cent or more of the total assets of all business segments:	
FRS 14.70(a)	a) segment revenue from external customers;	
FRS 14.70(b)	b) the total carrying amount of segment assets; and	
FRS 14.70(c)	c) the total cost incurred during the period to acquire segment assets that are expected to be used during more than one period (property, plant, equipment, and intangible assets).	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 14.71	<p>If an entity's primary format for reporting segment information is geographical segments that are based on location of assets, and if the location of its customers is different from the location of its assets, the entity shall also report revenue from sales to external customers for each customer-based geographical segment whose revenue from sales to external customers is 10 per cent or more of total entity revenue from sales to all external customers.</p> <p>If an entity's primary format for reporting segment information is geographical segments that are based on location of customers, and if the entity's assets are located in different geographical areas from its customers, the entity shall also report the following segment information for each asset-based geographical segment whose revenue from sales to external customers or segment assets are 10 per cent or more of related consolidated or total entity amounts:</p>	
FRS 14.72(a)	a) the total carrying amount of segment assets by geographical location of the assets; and	
FRS 14.72(b)	b) the total cost incurred during the period to acquire segment assets that are expected to be used during more than one period (property, plant, equipment, and intangible assets) by location of the assets.	
	Other disclosures	
FRS 14.74	<p>If a business segment or geographical segment for which information is reported to the board of directors and chief executive officer is not a reportable segment because it earns a majority of its revenue from sales to other segments, but nonetheless its revenue from sales to external customers is 10 per cent or more of total entity revenue from sales to all external customers, the entity shall disclose:</p> <p>a) the fact that these circumstances exist;</p> <p>b) the amount of revenue from sales to external customers; and</p> <p>c) the amount of revenue from internal sales to other segments.</p>	
FRS 14.75	The basis of pricing inter-segment transfers and any change therein shall be disclosed in the financial statements.	
	<i>Notes:</i>	
FRS 14.75	1) <i>In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers should be measured on the basis that the entity actually used to price those transfers.</i>	
FRS 14.80	2) <i>If an entity changes the method that it actually uses to price inter-segment transfers, that is not a change in accounting policy for which prior period segment data should be restated pursuant to paragraph 76 of FRS 14 (see below). However, paragraph 75 of FRS 14 requires disclosure of the change.</i>	
FRS 14.76	Where changes are made to accounting policies that are adopted for segment reporting that have a material effect on segment information, prior period segment information presented for comparative purposes shall be restated unless it is impracticable to do so.	
FRS 14.76	<p>The following details shall be disclosed for changes made to accounting policies that are adopted for segment reporting that have a material effect on segment information:</p> <p>a) a description of the nature of the change;</p> <p>b) the reasons for the change;</p> <p>c) the fact that comparative information has been restated or that it is impracticable to do so; and</p> <p>d) the financial effect of the change, if it is reasonably determinable.</p>	
FRS 14.76	If an entity changes the identification of its segments and it does not restate prior period segment information on the new basis because it is impracticable to do so then, for the purpose of comparison, the entity shall report segment data for both the old and the new bases of segmentation in the year in which it changes the identification of its segments.	
FRS 14.81	<p>If not otherwise disclosed in the financial statements or elsewhere in the financial report, an entity shall indicate the following:</p> <p>a) the types of products and services included in each reported business segment; and</p> <p>b) the composition of each reported geographical segment.</p>	

FRS 16 Property, Plant and Equipment

Reference	Presentation/disclosure requirement	Yes/No/NA
<p><i>This section of the checklist deals with FRS 16, which prescribes the accounting treatment for property, plant and equipment. The principal issues in accounting for property, plant and equipment are: the recognition of assets, the determination of their carrying amounts and the recognition of depreciation charges and impairment losses.</i></p>		
<p>General disclosures</p>		
<p>The financial statements shall disclose, for each class of property, plant and equipment:</p>		
FRS 16.73(a)	a) the measurement bases used for determining the gross carrying amount;	
FRS 16.73(b)	b) the depreciation methods used;	
FRS 16.73(c)	c) the useful lives or the depreciation rates used;	
FRS 16.73(d)	d) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period;	
FRS 16.73(e)	<p>e) a reconciliation of the carrying amount at the beginning and end of the period showing:</p> <ul style="list-style-type: none"> i) additions; ii) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i> and other disposals; iii) acquisitions through business combinations; iv) increases or decreases during the period resulting from revaluations under paragraphs 31, 39 and 40 of FRS 16 and from impairment losses recognised or reversed directly in equity under FRS 36 <i>Impairment of Assets</i>; v) impairment losses recognised in profit or loss in accordance with FRS 36; vi) impairment losses reversed in profit or loss in accordance with FRS 36; vii) depreciation; viii) the net exchange differences arising on the translation of the financial statements from the functional currency into a different presentation currency, including the translation of a foreign operation into the presentation currency of the reporting entity; and ix) other changes. 	
<p>The financial statements shall also disclose:</p>		
FRS 16.74(a)	a) the existence and amounts of restrictions on title, and property, plant and equipment pledged as security for liabilities;	
FRS 16.74(b)	b) the amount of expenditures recognised in the carrying amount of an item of property, plant and equipment in the course of its construction;	
FRS 16.74(c)	c) the amount of contractual commitments for the acquisition of property, plant and equipment; and	
FRS 16.74(d)	d) if it is not disclosed separately on the face of the income statement, the amount of compensation from third parties for items of property, plant and equipment that were impaired, lost or given up that is included in profit or loss.	
FRS 16.76	<p>An entity shall disclose the nature and effect of any change in an accounting estimate relating to property, plant and equipment that has an effect in the current period or is expected to have an effect in subsequent periods, in accordance with FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>.</p>	
FRS 16.76	<p><i>Note: Such disclosure may arise from changes in estimate with respect to:</i></p> <ul style="list-style-type: none"> • <i>residual values;</i> • <i>the estimated costs of dismantling, removing and restoring items of property, plant or equipment;</i> • <i>useful lives; and</i> • <i>depreciation methods.</i> 	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p>Assets carried at revalued amounts</p> <p>If items of property, plant and equipment are stated at revalued amounts, the following shall be disclosed:</p>	
FRS 16.77(a)	a) the effective date of the revaluation;	
FRS 16.77(b)	b) whether an independent valuer was involved;	
FRS 16.77(c)	c) the methods and significant assumptions applied in estimating the items' fair values;	
FRS 16.77(d)	d) the extent to which the items' fair values were determined directly by reference to observable prices in an active market or recent market transactions on arm's length terms or were estimated using other valuation techniques;	
FRS 16.77(e)	e) for each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model; and	
FRS 16.77(f)	f) the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders.	
FRS 16.42	The effects of taxes on income, if any, resulting from the revaluation of property, plant and equipment are recognised and disclosed in accordance with FRS 12 <i>Income Taxes</i> .	
	<p>Impairment</p>	
FRS 16.78	In accordance with FRS 36 <i>Impairment of Assets</i> , in addition to the information required by paragraph 73(e)(iv) to (vi) of FRS 16 (see above), an entity discloses information on impaired property, plant and equipment.	
	<p>Presentation of gains and losses arising on derecognition</p>	
FRS 16.68	The gain or loss arising from the derecognition of an item of property, plant and equipment shall be included in profit or loss when the item is derecognised (unless FRS 17 <i>Leases</i> requires otherwise on a sale and leaseback).	
FRS 16.68	Gains arising from the derecognition of an item of property, plant and equipment shall not be classified as revenue	
	<p>Additional encouraged disclosures</p> <p>Entities are <u>encouraged</u> (but not required) to disclose the following amounts:</p>	
FRS 16.79(a)	a) the carrying amount of temporarily idle property, plant and equipment;	
FRS 16.79(b)	b) the gross carrying amount of any fully depreciated property, plant and equipment that is still in use;	
FRS 16.79(c)	c) the carrying amount of property, plant and equipment retired from active use and <u>not</u> classified as held for sale in accordance with FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i> ; and	
FRS 16.79(d)	d) when the cost model is used, the fair value of property, plant and equipment when this is materially different from the carrying amount.	
	<p>Adoption of Standard before effective date</p>	
FRS 16.81	If the entity has applied FRS 16 for annual periods beginning before January 1, 2005, it shall disclose that fact.	
	<p>Revaluation</p>	
FRS 16.81	An entity shall explain why a particular item of property, plant and equipment should be exempted from revaluation in accordance with paragraph 31 of FRS 16, if the item of property, plant and equipment has been revalued more than once between January 1, 1984 and December 31, 1996 (both dates inclusive). The auditor is required to concur on the explanation provided.	

FRS 17

Leases

Reference	Presentation/disclosure requirement	Yes/No/NA
	<i>This section of the checklist addresses the accounting for leases from both the perspective of the lessee and lessor.</i>	
	Financial statements of lessees	
	Finance leases	
FRS 17.23	It is not appropriate for the liabilities for leased assets to be presented in the financial statements as a deduction from the leased assets.	
FRS 17.23	If, for the presentation of liabilities on the face of the balance sheet, a distinction is made between current and non-current liabilities, the same distinction is made for lease liabilities.	
	Lessees shall, in addition to meeting the requirements of FRS 32 <i>Financial Instruments: Disclosure and Presentation</i> , make the following disclosures for finance leases:	
FRS 17.31(a)	a) for each class of asset, the net carrying amount at the balance sheet date;	
FRS 17.31(b)	b) a reconciliation between the total of future minimum lease payments at the balance sheet date, and their present value;	
FRS 17.31(b)	c) the total of future minimum lease payments at the balance sheet date, and their present value, for each of the following periods:	
	i) not later than one year;	
	ii) later than one year and not later than five years;	
	iii) later than five years;	
FRS 17.31(c)	d) contingent rents recognised as an expense for the period;	
FRS 17.31(d)	e) the total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date; and	
FRS 17.31(e)	f) a general description of the lessee's significant leasing arrangements including, but not limited to, the following: <ul style="list-style-type: none"> <li data-bbox="347 1254 911 1276">i) the basis on which contingent rent payable is determined <li data-bbox="347 1303 1145 1326">ii) the existence and terms of renewal or purchase options and escalation clauses; and <li data-bbox="347 1352 1337 1402">iii) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing. 	
FRS 17.32	In addition, the requirements for disclosure under FRS 16 <i>Property, Plant and Equipment</i> , FRS 36 <i>Impairment of Assets</i> , FRS 38 <i>Intangible Assets</i> , FRS 40 <i>Investment Property</i> and FRS 41 <i>Agriculture</i> apply to lessees for leased assets under finance leases.	
	Operating leases	
	Lessees shall, in addition to meeting the requirements of FRS 32 <i>Financial Instruments: Disclosure and Presentation</i> , make the following disclosures for operating leases:	
FRS 17.35(a)	a) the total of future minimum lease payments under non-cancellable operating leases for each of the following periods:	
	i) not later than one year;	
	ii) later than one year and not later than five years;	
	iii) later than five years;	
FRS 17.35(b)	b) the total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date;	
FRS 17.35(c)	c) lease and sublease payments recognised as an expense for the period, with separate amounts for minimum lease payments, contingent rents, and sublease payments;	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 17.35(d)	<p>d) a general description of the lessee's significant leasing arrangements including, but not limited to, the following:</p> <ul style="list-style-type: none"> i) the basis on which contingent rent payable is determined; ii) the existence and terms of renewal or purchase options and escalation clauses; and iii) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing. 	
	<p>Financial statements of lessors</p>	
	<p>Finance leases</p>	
FRS 17.36	<p>Lessors shall recognise assets held under a finance lease in their balance sheets and present them as a receivable at an amount equal to the net investment in the lease.</p> <p>Lessors shall, in addition to meeting the requirements of FRS 32 <i>Financial Instruments: Disclosure and Presentation</i>, disclose the following for finance leases:</p>	
FRS 17.47(a)	<p>a) a reconciliation between the gross investment in the lease at the balance sheet date, and the present value of minimum lease payments receivable at the balance sheet date;</p>	
FRS 17.47(a)	<p>b) the gross investment in the lease and the present value of minimum lease payments receivable at the balance sheet date, for each of the following periods:</p> <ul style="list-style-type: none"> i) not later than one year; ii) later than one year and not later than five years; iii) later than five years; 	
FRS 17.47(b)	<p>c) unearned finance income;</p>	
FRS 17.47(c)	<p>d) the unguaranteed residual values accruing to the benefit of the lessor;</p>	
FRS 17.47(d)	<p>e) the accumulated allowance for uncollectible minimum lease payments receivable;</p>	
FRS 17.47(e)	<p>f) contingent rents recognised as income in the period; and</p>	
FRS 17.47(f)	<p>g) a general description of the lessor's material leasing arrangements.</p>	
FRS 17.48	<p>As an indicator of growth, it is often useful also to disclose the gross investment less unearned income in new business added during the accounting period, after deducting the relevant amounts for cancelled leases.</p>	
	<p><i>Note: This disclosure is recommended but not required.</i></p>	
	<p>Operating leases</p>	
FRS 17.49	<p>Lessors shall present assets subject to operating leases in their balance sheets according to the nature of the asset. Lessors shall, in addition to meeting the requirements of FRS 32 <i>Financial Instruments: Disclosure and Presentation</i>, disclose the following for operating leases:</p>	
FRS 17.56(a)	<p>a) the future minimum lease payments under non-cancellable operating leases in aggregate;</p>	
FRS 17.56(a)	<p>b) the future minimum lease payments under non-cancellable operating leases for each of the following periods:</p> <ul style="list-style-type: none"> i) not later than one year; ii) later than one year and not later than five years; iii) later than five years; 	
FRS 17.56(b)	<p>c) total contingent rents recognised as income in the period; and</p>	
FRS 17.56(c)	<p>d) a general description of the lessor's leasing arrangements.</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 17.57	In addition, the requirements for disclosure under FRS 16 <i>Property, Plant and Equipment</i> , FRS 36 <i>Impairment of Assets</i> , FRS 38 <i>Intangible Assets</i> , FRS 40 <i>Investment Property</i> and FRS 41 <i>Agriculture</i> apply to lessors for assets provided under operating leases.	
	Sale and leaseback transactions	
FRS 17.65	The disclosure requirements for lessees and lessors set out above apply equally to sale and leaseback arrangements.	
	<i>Notes:</i>	
FRS 17.65	1) <i>The required description of the significant leasing arrangements leads to disclosure of unique or unusual provisions of the agreement or terms of the sale and leaseback transactions.</i>	
FRS 17.66	2) <i>Sale and leaseback transactions may trigger the separate disclosure criteria in FRS 1, Presentation of Financial Statements.</i>	
	Adoption of Standard before effective date	
FRS 17.69	If an entity has applied FRS 17 for annual periods beginning before January 1, 2005, it shall disclose that fact.	

FRS 18 Revenue

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 18. Revenue is income that arises in the course of the ordinary activities of an entity and is referred to by a variety of different names including sales, fees, interest, dividends and royalties. The primary issue in accounting for revenue is determining when to recognise revenue.</i></p>	
	<p>An entity shall disclose:</p>	
FRS 18.35(a)	<p>a) the accounting policies adopted for the recognition of revenue, including the methods adopted to determine the stage of completion of transactions involving the rendering of services;</p>	
FRS 18.35(b)	<p>b) the amount of each significant category of revenue recognised during the period, including revenue arising from:</p> <ul style="list-style-type: none"> i) the sale of goods; ii) the rendering of services; iii) interest; iv) royalties; v) dividends; and 	
FRS 18.35	<p>c) the amount of revenue arising from exchanges of goods or services included in each significant category of revenue.</p>	
FRS 18.36	<p>An entity discloses any contingent liabilities and contingent assets in accordance with FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>.</p>	
FRS 18.36	<p><i>Note: Contingent liabilities and contingent assets may arise from items such as warranty costs, claims, penalties or possible losses.</i></p>	

FRS 19 Employee Benefits

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 19, which prescribes the accounting for employee benefits. The principal issues relate to the determination of employee benefit liabilities, assets and expenses for short-term and long-term employee benefits.</i></p> <p><i>FRS 19 applies to all employee benefits, except those that fall within the scope of FRS 102, Share-based Payment. Appendix B to FRS 19 illustrates the disclosures required by the Standard.</i></p>	
	<p>Short-term employee benefits</p>	
FRS 19.23	Although FRS 19 does not require specific disclosures about short-term employee benefits, other Standards may require disclosures (e.g. FRS 24 <i>Related Party Disclosures</i> requires an entity to disclose information about employee benefits for key management personnel and FRS 1 <i>Presentation of Financial Statements</i> requires that an entity shall disclose its employee benefits expense).	
	<p>Post-employment benefits - multi-employer plans</p>	
FRS 19.29(b)	Where a multi-employer plan is a defined benefit plan, an entity shall disclose the information required by paragraph 120 of FRS 19 (see below).	
	When sufficient information is not available to use defined benefit accounting for a multi-employer plan that is a defined benefit plan, and the entity has accounted for the plan under paragraphs 44 to 46 of FRS 19 as if it were a defined contribution plan, an entity shall disclose:	
FRS 19.30(b)	a) the fact that the plan is a defined benefit plan;	
FRS 19.30(b)	b) the reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan; and	
FRS 19.30(c)	c) to the extent that a surplus or deficit in the plan may affect the amount of future contributions: <ul style="list-style-type: none"> i) any available information about that surplus or deficit; ii) the basis used to determine that surplus or deficit; and iii) the implications, if any, for the entity. 	
FRS 19.35	An entity is required to recognise, or disclose information about, certain contingent liabilities under FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> .	
FRS 19.35	<p><i>Note: In the context of a multi-employer plan, a contingent liability may arise from, for example:</i></p> <ul style="list-style-type: none"> • <i>actuarial losses relating to other participating entities because each entity that participates in a multi-employer plan shares in the actuarial risks of every other participating entity; or</i> • <i>any responsibility under the terms of a plan to finance any shortfall in the plan if other entities cease to participate.</i> 	
	<p>Post-employment benefits - state plans</p>	
FRS 19.36	An entity is required to disclose the same information for a state plan as FRS 19 requires for a multi-employer plan (see 'multi-employer plans' section above - paragraphs 29, 30 and 35 of FRS 19).	
	<p>Post-employment benefits – defined contribution plans</p>	
FRS 19.46	An entity shall disclose the amount recognised as an expense for defined contribution plans.	
FRS 19.47	Where required by FRS 24 <i>Related Party Disclosures</i> , an entity discloses information about contributions to defined contribution plans for key management personnel.	
	<p>Post-employment benefits – defined benefit plans</p>	
	<p>Presentation</p>	
FRS 19.116	An entity shall offset an asset relating to one plan against a liability relating to another plan when, and only when, the entity: <ul style="list-style-type: none"> a) has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and b) intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously. 	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 19.117	<i>Note: The offsetting criteria are similar to those established for financial instruments in FRS 32, Financial Instruments: Disclosure and Presentation.</i>	
FRS 19.118	Where the entity distinguishes current assets and liabilities from non-current assets and liabilities for balance sheet presentation purposes, FRS 19 does not specify whether an entity should distinguish current and non-current portions of assets and liabilities arising from post-employment benefits.	
	Disclosure	
	<i>Notes:</i>	
FRS 19.122	<p>1) <i>When an entity has more than one defined benefit plan, disclosures may be made in total, separately for each plan, or in such groupings as are considered to be the most useful. It may be useful to distinguish groupings by criteria such as the following:</i></p> <ul style="list-style-type: none"> • <i>the geographical location of the plans, e.g. by distinguishing domestic plans from foreign plans; or</i> • <i>whether plans are subject to materially different risks, e.g. by distinguishing flat salary pension plans from final salary pension plans and from post-employment medical plans.</i> 	
FRS 19.122	2) <i>When an entity provides disclosures in total for a grouping of plans, such disclosures are provided in the form of weighted averages or of relatively narrow ranges.</i>	
	An entity shall disclose the following information about defined benefit plans:	
FRS 19.120(a)	a) the entity's accounting policy for recognising actuarial gains and losses;	
FRS 19.120(b)	b) a general description of the type of plan;	
FRS 19.121	<i>Note: Such a description distinguishes, for example, flat salary pension plans from final salary pension plans and from post-employment medical plans. Further detail is not required.</i>	
FRS 19.120(c)	<p>c) a reconciliation of the assets and liabilities recognised in the balance sheet, showing at least:</p> <ul style="list-style-type: none"> i) the present value at the balance sheet date of defined benefit obligations that are wholly unfunded; ii) the present value (before deducting the fair value of plan assets) at the balance sheet date of defined benefit obligations that are wholly or partly funded; iii) the fair value of any plan assets at the balance sheet date; iv) the net actuarial gains or losses not recognised in the balance sheet (see paragraph 92 of FRS 19); v) the past service cost not yet recognised in the balance sheet (see paragraph 96 of FRS 19); vi) any amount not recognised as an asset, because of the limit in paragraph 58(b) of FRS 19; vii) the fair value at the balance sheet date of any reimbursement right recognised as an asset under paragraph 104A of FRS 19 (with a brief description of the link between the reimbursement right and the related obligation); and viii) the other amounts recognised in the balance sheet; 	
FRS 19.120(d)	<p>d) the amounts included in the fair value of plan assets for:</p> <ul style="list-style-type: none"> i) each category of the reporting entity's own financial instruments; and ii) any property occupied by, or other assets used by, the reporting entity; 	
FRS 19.120(e)	e) a reconciliation showing the movements during the period in the net liability (or asset) recognised in the balance sheet;	
FRS 19.120(f)	<p>f) the total expense recognised in the income statement for each of the following, and the line item(s) of the income statement in which they are included:</p> <ul style="list-style-type: none"> i) current service cost; ii) interest cost; iii) expected return on plan assets; 	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<ul style="list-style-type: none"> iv) expected return on any reimbursement right recognised as an asset under paragraph 104A of FRS 19; v) actuarial gains and losses; vi) past service cost; and vii) the effect of any curtailment or settlement; 	
FRS 19.119	<p><i>Note: FRS 19 does not specify whether an entity should present current service cost, interest cost and the expected return on plan assets as components of a single item of income or expense on the face of the income statement.</i></p>	
FRS 19.120(g)	g) the actual return on plan assets, as well as the actual return on any reimbursement right recognised as an asset under paragraph 104A of FRS 19; and	
FRS 19.120(h)	<p>h) the principal actuarial assumptions used as at the balance sheet date, including, where applicable:</p> <ul style="list-style-type: none"> i) the discount rates; ii) the expected rates of return on any plan assets for the periods presented in the financial statements; iii) the expected rates of return for the periods presented in the financial statements on any reimbursement right recognised as an asset under paragraph 104A of FRS 19; iv) the expected rates of salary increases (and of changes in an index or other variable specified in the formal or constructive terms of a plan as the basis for future benefit increases); v) medical cost trend rates; and vi) any other material actuarial assumptions used. 	
FRS 19.120(h)	<p><i>Note: An entity shall disclose each actuarial assumption in absolute terms (for example, as an absolute percentage) and not just as a margin between different percentages or other variables.</i></p>	
FRS 19.124	<p>Where required by FRS 24 <i>Related Party Disclosures</i>, an entity discloses information about:</p> <ul style="list-style-type: none"> a) related party transactions with post-employment benefit plans; and b) post-employment benefits for key management personnel. 	
FRS 19.125	<p>Where required by FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>, an entity discloses information about contingent liabilities arising from post-employment benefit obligations.</p>	
FRS 19.131	<p>Other long-term employee benefits</p> <p>Although FRS 19 does not require specific disclosures about other long-term employee benefits, other Standards may require disclosures (e.g. where the expense resulting from such benefits is material and so would require disclosure in accordance with FRS 1 <i>Presentation of Financial Statements</i>, or where FRS 24 <i>Related Party Disclosures</i> requires an entity to disclose information about employee benefits for key management personnel).</p> <p>Termination benefits</p>	
FRS 19.141	<p>Where there is uncertainty about the number of employees who will accept an offer of termination benefits, the entity discloses information about the resultant contingent liability as required by FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> unless the possibility of an outflow in settlement is remote.</p>	
FRS 19.142	<p>As required by FRS 1 <i>Presentation of Financial Statements</i>, an entity discloses the nature and amount of an expense arising from termination benefits if it is material.</p>	
FRS 19.143	<p>Where required by FRS 24 <i>Related Party Disclosures</i>, an entity discloses information about termination benefits for key management personnel.</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p>Revisions to FRS 19 – June 2005</p> <p><i>Note:</i></p> <p><i>In June 2005, the CCDG issued amendments to FRS 19 which deal with the following:</i></p> <ul style="list-style-type: none"> • <i>the introduction of an additional recognition option for actuarial gains and losses arising in post-employment defined benefit schemes;</i> • <i>clarification that a contractual agreement between a multi-employer plan and participating employers that determines how a surplus is to be distributed or a deficit funded will give rise to an asset or liability;</i> • <i>accounting requirements for group defined benefit plans in the separate or individual financial statements of entities within a group; and</i> • <i>additional disclosures that:</i> <ul style="list-style-type: none"> - <i>provide information about trends in the assets and liabilities in a defined benefit plan and the assumptions underlying the components of the defined benefit cost; and</i> - <i>bring the disclosures in FRS 19 closer to those required by the US standard SFAS 132, Employers' Disclosures about Pensions and Other Postretirement Benefits, which was revised in December 2003.</i> <p><i>The amendments to FRS 19's disclosure requirements are effective from January 1, 2006, but earlier application is encouraged. The amendments result in the following changes to the disclosure requirements of the previous version of the Standard, as listed earlier in this section:</i></p> <ul style="list-style-type: none"> • <i>paragraph 35 (contingent liabilities) is moved and renumbered paragraph 32B. There are no changes to the detailed text;</i> • <i>paragraph 34B (defined benefit plans that share risks between entities under common control) is added; and</i> • <i>a new paragraph 120 (general disclosures for defined benefit plans), and the amendment of the previous paragraphs 120 (now renumbered paragraph 120A) and 121.</i> <p><i>For users' convenience, the revised paragraphs are reproduced below. Appendix B to the Standard has also been revised to reflect the new disclosure requirements.</i></p> <p><i>Note that, where the revised disclosures are adopted before January 1, 2006, that fact should be disclosed in the financial statements.</i></p> <p>Defined benefit plans that share risks between entities under common control</p> <p>An entity that participates in a defined benefit plan that shares risks between various entities under common control (e.g. a parent and its subsidiaries) shall, in its separate or individual financial statements, make the following disclosures:</p> <p>FRS 19(r2005). 34B(a) a) the contractual agreement or stated policy for charging the net benefit cost or the fact that there is no such policy;</p> <p>FRS 19(r2005). 34B(b) b) the policy for determining the contribution to be paid by the entity;</p> <p>FRS 19(r2005). 34B(c) c) if the entity accounts for an allocation of the net defined benefit cost in accordance with paragraph 34A of FRS 19 (as revised in 2005), all the information about the plan as a whole in accordance with paragraphs 120 to 121 of FRS 19 (as revised in 2005)(see below); and</p> <p>FRS 19(r2005). 34B(d) d) if the entity accounts for the contribution payable for the period in accordance with paragraph 34A of FRS 19 (as revised in 2005), the information about the plan as a whole required in accordance with paragraphs 120A(b) to (e), (j), (n), (o), (q) and 121 of FRS 19 (as revised in 2005) (see below). The other disclosures required by paragraph 120A of FRS 19 (as revised in 2005) do not apply.</p> <p>FRS 19(r2005). 34, 34B <i>Note: Defined benefit plans that share risks between various entities under common control (e.g. a parent and its subsidiaries) are not multi-employer plans. Participation in such a plan is, however, a related party transaction for each individual group entity.</i></p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<i>General disclosures – defined benefit plans</i>	
FRS 19(r2005).120	An entity shall disclose information that enables users of financial statements to evaluate the nature of its defined benefit plans and the financial effects of changes in those plans during the period.	
	An entity shall disclose the following information about defined benefit plans:	
FRS 19(r2005).120A(a)	a) the entity's accounting policy for recognising actuarial gains and losses;	
FRS 19(r2005).120A(b)	b) a general description of the type of plan;	
FRS 19(r2005).121	<i>Note: Paragraph 120A(b) requires a general description of the type of plan. Such a description distinguishes, for example, flat salary pension plans from final salary pension plans and from post-employment medical plans. The description of the plan shall include informal practices that give rise to constructive obligations included in the measurement of the defined benefit obligation in accordance with paragraph 52 of FRS 19. Further detail is not required.</i>	
FRS 19(r2005).120A(c)	<p>c) a reconciliation of opening and closing balances of the present value of the defined benefit obligation showing separately, if applicable, the effects during the period attributable to each of the following:</p> <ul style="list-style-type: none"> i) current service cost; ii) interest cost; iii) contributions by plan participants; iv) actuarial gains and losses; v) foreign currency exchange rate changes on plans measured in a currency different from the entity's presentation currency; vi) benefits paid; vii) past service cost; viii) business combinations; ix) curtailments; and x) settlements. 	
FRS 19(r2005).120A(d)	d) an analysis of the defined benefit obligation into amounts arising from plans that are wholly unfunded and amounts arising from plans that are wholly or partly funded;	
FRS 19(r2005).120A(e)	<p>e) a reconciliation of the opening and closing balances of the fair value of plan assets and of the opening and closing balances of any reimbursement right recognised as an asset in accordance with paragraph 104A of FRS 19 showing separately, if applicable, the effects during the period attributable to each of the following:</p> <ul style="list-style-type: none"> i) expected return on plan assets; ii) actuarial gains and losses; iii) foreign currency exchange rate changes on plans measured in a currency different from the entity's presentation currency; iv) contributions by the employer; v) contributions by plan participants; vi) benefits paid; vii) business combinations; and viii) settlements; 	
FRS 19(r2005).120A(f)	f) a reconciliation of the present value of the defined benefit obligation in paragraph 120A(c) and the fair value of the plan assets in paragraph 120A(e) to the assets and liabilities recognised in the balance sheet, showing at least:	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 19(r2005). 120A(g)	<ul style="list-style-type: none"> i) the net actuarial gains or losses not recognised in the balance sheet (see paragraph 92 of FRS 19); ii) the past service cost not recognised in the balance sheet (see paragraph 96 of FRS 19); iii) any amount not recognised as an asset, because of the limit in paragraph 58(b) of FRS 19; iv) the fair value at the balance sheet date of any reimbursement right recognised as an asset in accordance with paragraph 104A (with a brief description of the link between the reimbursement right and the related obligation); and v) the other amounts recognised in the balance sheet; <p>g) the total expense recognised in profit or loss for each of the following, and the line item(s) in which they are included:</p> <ul style="list-style-type: none"> i) current service cost; ii) interest cost; iii) expected return on plan assets; iv) expected return on any reimbursement right recognised as an asset in accordance with paragraph 104A of FRS 19; v) actuarial gains and losses; vi) past service cost; vii) the effect of any curtailment or settlement; and viii) the effect of the limit in paragraph 58(b) of FRS 19; 	
FRS 19(r2005). 120A(h)	<p>h) the total amount recognised in the statement of recognised income and expense for each of the following:</p> <ul style="list-style-type: none"> i) actuarial gains and losses; and ii) the effect of the limit in paragraph 58(b) of FRS 19; 	
FRS 19(r2005). 120A(i)	<p>i) for entities that recognise actuarial gains and losses in the statement of recognised income and expense in accordance with paragraph 93A of FRS 19 (as revised in 2005), the cumulative amount of actuarial gains and losses recognised in the statement of recognised income and expense;</p>	
FRS 19(r2005). 120A(j)	<p>j) for each major category of plan assets (which shall include, but is not limited to, equity instruments, debt instruments, property, and all other assets), the percentage or amount that each major category constitutes of the fair value of the total plan assets;</p>	
FRS 19(r2005). 120A(k)	<p>k) the amounts included in the fair value of plan assets for:</p> <ul style="list-style-type: none"> i) each category of the entity's own financial instruments; and ii) any property occupied by, or other assets used by, the entity; 	
FRS 19(r2005). 120A(l)	<p>l) a narrative description of the basis used to determine the overall expected rate of return on assets, including the effect of the major categories of plan assets;</p>	
FRS 19(r2005). 120A(m)	<p>m) the actual return on plan assets, as well as the actual return on any reimbursement right recognised as an asset in accordance with paragraph 104A of FRS 19;</p>	
FRS 19(r2005). 120A(n)	<p>n) the principal actuarial assumptions used as at the balance sheet date, including, when applicable:</p> <ul style="list-style-type: none"> i) the discount rates; ii) the expected rates of return on any plan assets for the periods presented in the financial statements; iii) the expected rates of return for the periods presented in the financial statements on any reimbursement right recognised as an asset in accordance with paragraph 104A of FRS 19; iv) the expected rates of salary increases (and of changes in an index or other variable specified in the formal or constructive terms of a plan as the basis for future benefit increases); 	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 19(r2005). 120A(n)	<p>v) medical cost trend rates; and</p> <p>vi) any other material actuarial assumptions used;</p> <p><i>Note: An entity shall disclose each actuarial assumption in absolute terms (for example, as an absolute percentage) and not just as a margin between different percentages or other variables.</i></p>	
FRS 19(r2005). 120A(o)	<p>o) the effect of an increase of one percentage point and the effect of a decrease of one percentage point in the assumed medical cost trend rates on:</p> <p>i) the aggregate of the current service cost and interest cost components of net periodic post-employment medical costs; and</p> <p>ii) the accumulated post-employment benefit obligation for medical costs;</p>	
FRS 19(r2005). 120A(o)	<p><i>Notes:</i></p> <p>1) For the purposes of the disclosures under paragraph 120A(o), all other assumptions shall be held constant.</p>	
FRS 19(r2005). 120A(o)	<p>2) For plans operating in a high inflation environment, the disclosure shall be the effect of a percentage increase or decrease in the assumed medical cost trend rate of a significance similar to one percentage point in a low inflation environment.</p>	
FRS 19(r2005). 120A(p)	<p>p) the amounts for the current annual period and previous four annual periods of:</p> <p>i) the present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan; and</p> <p>ii) the experience adjustments arising on:</p> <p>A) the plan liabilities expressed either as (1) an amount or (2) a percentage of the plan liabilities at the balance sheet date and</p> <p>B) the plan assets expressed either as (1) an amount or (2) a percentage of the plan assets at the balance sheet date; and</p>	
FRS 19(r2005).160	<p><i>Note: In applying the 2005 changes to FRS 19, an entity may disclose the amounts required by paragraph 120A(p) as the amounts are determined for each annual period prospectively from the first annual period presented in the financial statements in which the entity first applies the amendments in paragraph 120A.</i></p>	
FRS 19(r2005). 120A(q)	<p>q) the employer's best estimate, as soon as it can reasonably be determined, of contributions expected to be paid to the plan during the annual period beginning after the balance sheet date.</p>	
FRS 19(r2005)159B	<p>If an entity has applied the amendment in paragraphs 32A, 34 to 34B, 61 and 120 to 121 of FRS 19 (i.e. the amendments issued in June 2005) for annual periods beginning before January 1, 2006, it shall disclose that fact.</p>	

FRS 20

Accounting for Government Grants and Disclosure of Government Assistance

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 20. The Standard distinguishes between government grants (for which it prescribes the accounting treatment) and government assistance (which cannot reasonably have a value placed on it, but may have a significant impact on the entity and, therefore, should be disclosed).</i></p>	
	<p>Contingent liabilities and contingent assets related to government grants</p>	
FRS 20.11	Once a government grant is recognised, any related contingent liability or contingent asset is treated (and, therefore, disclosed) in accordance with FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> .	
	<p>Prohibition on crediting grants directly to shareholders' interests</p>	
FRS 20.12	Government grants shall not be credited directly to shareholders' interests.	
FRS 20.12	<i>Note: FRS 20 requires that government grants shall be recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.</i>	
	<p>Grants recognised as income in the period in which the entity qualifies to receive them</p>	
FRS 20.21	Where a government grant has been awarded for the purpose of giving immediate financial support to the entity, rather than as an incentive to undertake specific expenditures, such that the grant has been recognised as income in the period in which the entity qualifies to receive it, the entity is required to provide sufficient disclosure to ensure that the effect of the grant is clearly understood.	
FRS 20.22	Where a government grant has been awarded as compensation for expenses or losses already incurred, rather than as an incentive to undertake specific expenditures, such that the grant has been recognised as income in the period in which the entity qualifies to receive it, the entity is required to provide sufficient disclosure to ensure that the effect of the grant is clearly understood.	
	<p>Presentation of grants related to assets</p>	
FRS 20.24	Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.	
FRS 20.25 to 27	<i>Note: Two methods of presentation in financial statements of grants (or the appropriate portions of grants) related to assets are regarded as acceptable alternatives. One method sets up the grant as deferred income, which is recognised as income on a systematic and rational basis over the useful life of the asset. The other method deducts the grant in arriving at the carrying amount of the asset.</i>	
FRS 20.28	In order to show the gross investment in assets, the entity often discloses, as separate items in the cash flow statement, the purchase of assets and the receipt of related grants, regardless of whether or not the grant is deducted from the related asset for the purpose of balance sheet presentation.	
	<p>Presentation of grants related to income</p>	
FRS 20.29	Grants related to income may be presented either: <ul style="list-style-type: none"> a) as a credit in the income statement, either separately or under a general heading such as "other income"; or b) as a deduction in reporting the related expense. 	
FRS 20.31	<i>Note: Both methods are regarded as acceptable for the presentation of grants related to income.</i>	
FRS 20.31	Whichever method of presenting grants related to income has been selected, disclosure of the amount of the grant may be necessary for a proper understanding of the financial statements.	
FRS 20.31	Disclosure of the effect of grants on any item of income or expense which is required to be separately disclosed is usually appropriate.	
	<p>Government assistance</p>	
FRS 20.36	Disclosure of the nature, extent and duration of significant government assistance may be necessary in order that the financial statements are not misleading.	

Reference	Presentation/disclosure requirement	Yes/No/NA
General disclosure requirements		
The following matters shall be disclosed:		
FRS 20.39(a)	a) the accounting policy adopted for government grants, including the methods of presentation adopted in the financial statements;	
FRS 20.39(b)	b) the nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and	
FRS 20.39(c)	c) unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.	

FRS 21 The Effects of Changes in Foreign Exchange Rates

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 21 which prescribes the accounting treatment for transactions in foreign currencies and foreign operations as well as the presentation of an entity's financial statements in a foreign currency. The principal issues are: the determination of the method of including foreign currency transactions and operations in the financial statements of an entity, how to translate the financial statements into a presentation currency and the selection of an appropriate exchange rate, and how to recognise foreign exchange differences in the financial statements in accounting for foreign currency transactions and foreign operations.</i></p> <p><i>FRS 21 uses the term "functional currency", defined as "the currency of the primary economic environment in which the entity operates", to determine the measurement of foreign transactions and balances in the entity's financial statements. Although an entity normally presents its financial statements in the same currency as its functional currency, it may choose to present its financial statements in a different currency. The currency selected by an entity in presenting its financial statements is called the "presentation currency".</i></p>	
	<p>Allocation of exchange differences arising on the consolidation of foreign operations to minority interest, where applicable</p>	
FRS 21.41	<p>When a foreign operation is consolidated but is not wholly-owned, accumulated exchange differences arising from translation and attributable to minority interests are allocated to, and reported as part of, the minority interest in the consolidated balance sheet.</p>	
FRS 21.41	<p><i>Note: The translation of the financial statements of a foreign operation results in the recognition of exchange differences arising from:</i></p> <ul style="list-style-type: none"> • <i>translating income and expense items at the exchange rates at the dates of transactions and assets and liabilities at the closing rate. Such exchange differences arise both on income and expense items recognised in profit or loss and on those recognised directly in equity; and</i> • <i>translating the opening net assets at a closing rate that differs from the previous closing rate.</i> <p><i>These exchange differences are recognised as a separate component of equity. FRS 21.41 requires an appropriate proportion to be allocated to minority interests.</i></p>	
	<p>Disclosure</p>	
FRS 21.51	<p><i>Note: In paragraphs 53 and 55 to 57 of FRS 21 (see below), references to 'functional currency' apply, in the case of a group, to the functional currency of the parent.</i></p>	
	<p>An entity shall disclose:</p>	
FRS 21.52(a)	<p>a) the amount of exchange differences recognised in profit or loss (except for those arising on financial instruments measured at fair value through profit or loss in accordance with FRS 39 <i>Financial Instruments: Recognition and Measurement</i>); and</p>	
FRS 21.52(b)	<p>b) net exchange differences classified in a separate component of equity, and a reconciliation of the amount of such exchange differences at the beginning and end of the period.</p>	
FRS 21.53	<p>When the presentation currency is different from the functional currency of the entity:</p> <ol style="list-style-type: none"> a) that fact shall be stated; b) the functional currency shall be disclosed; and c) the reason for using a different presentation currency shall be disclosed. 	
FRS 21.54	<p>When there is a change in the functional currency of either the reporting entity or a significant foreign operation, that fact and the reason for the change in functional currency shall be disclosed.</p>	
FRS 21.55	<p>When an entity presents its financial statements in a currency that is different from its functional currency, it shall describe the financial statements as complying with FRSs only if they comply with all the requirements of each applicable Standard and each applicable Interpretation of those Standards, including the translation method set out in paragraphs 39 and 42 of FRS 21.</p>	
FRS 21.57	<p>When an entity displays its financial statements or other financial information in a currency that is different from either its functional currency or its presentation currency, and the requirements of paragraph 55 of FRS 21 (see above) are not met, the entity shall:</p> <ol style="list-style-type: none"> a) clearly identify the information as supplementary information to distinguish it from the information that complies with FRSs; b) disclose the currency in which the supplementary information is displayed; and 	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 21.58	<p data-bbox="309 309 1339 360">c) disclose the entity's functional currency and the method of translation used to determine the supplementary information.</p> <p data-bbox="309 383 1339 517"><i>Note: For example, an entity may convert into another currency only selected items from its financial statements, or an entity whose functional currency is not the currency of a hyperinflationary economy may convert the financial statements into another currency by translating all items at the most recent closing rate. Such conversions are not in accordance with FRSs and the disclosures set out in paragraph 57 of FRS 21 (see above) are required.</i></p> <p data-bbox="309 551 751 580">Adoption of Standard before effective date</p> <p data-bbox="309 602 1318 631">If the entity has applied FRS 21 for annual periods beginning before January 1, 2005, it shall disclose that fact.</p>	

FRS 23 **Borrowing Costs**

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 23, which prescribes the accounting treatment for borrowing costs. As a benchmark treatment, the Standard generally requires the immediate expensing of borrowing costs. However, the Standard permits, as an allowed alternative, the capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.</i></p>	
	<p>Disclosures required where the benchmark treatment is adopted</p>	
FRS 23.9	The financial statements shall disclose the accounting policy adopted for borrowing costs.	
	<p>Disclosures required where the allowed alternative treatment is adopted</p>	
	The financial statements shall disclose:	
FRS 23.29(a)	a) the accounting policy adopted for borrowing costs;	
FRS 23.29(b)	b) the amount of borrowing costs capitalised during the period; and	
FRS 23.29(c)	c) the capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation.	

FRS 24 Related Party Disclosures

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses the identification of related parties and transactions with related parties. The primary issue is to ensure that all related parties are identified. The objective of FRS 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. Refer to FRS 24 for the definition of a related party, and details of the Standard's scope.</i></p> <p><i>Having regard to the requirements of FRS 24, the entity is required to:</i></p> <ol style="list-style-type: none"> <i>a) identify related party relationships and transactions;</i> <i>b) identify outstanding balances between an entity and its related parties;</i> <i>c) identify the circumstances in which disclosure of the items in (a) and (b) is required; and</i> <i>d) determine the disclosures to be made about those items.</i> <p><i>FRS 24 requires disclosure of related party transactions and outstanding balances in the separate financial statements of a parent, venturer or investor presented in accordance with FRS 27 Consolidated and Separate Financial Statements.</i></p> <p><i>Related party transactions and outstanding balances with other entities in a group are disclosed in an entity's financial statements. Intragroup related party transactions are eliminated in the preparation of consolidated financial statements of the group.</i></p>	
	<p>Related party identification</p>	
FRS 24.9(a)(i)	A party is related to an entity if, directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with the entity.	
FRS 24.9(a)(i)	<i>Note: This includes parents, subsidiaries and fellow subsidiaries.</i>	
FRS 24.9(a)(ii)	A party is related to an entity if, directly or indirectly through one or more intermediaries, the party has an interest in the entity that gives it significant influence over the entity.	
FRS 24.9(a)(iii)	A party is related to an entity if, directly or indirectly through one or more intermediaries, the party has joint control over the entity.	
FRS 24.9(b)	A party is related to an entity if the party is an associate (as defined in FRS 28 <i>Investment in Associates</i>) of the entity.	
FRS 24.9(c)	A party is related to an entity if the party is a joint venture in which the entity is a venturer (see FRS 31 <i>Interests in Joint Ventures</i>).	
FRS 24.9(d)	A party is related to an entity if the party is a member of the key management personnel of the entity or its parent.	
FRS 24.9	<i>Note: Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.</i>	
FRS 24.9(e)	A party is related to an entity if the party is a close member of the family of any individual referred to in paragraphs 9(a) to 9(d) of FRS 24 (see above).	
FRS 24.9	<p><i>Note: Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity. They may include the following (the list is not exhaustive):</i></p> <ul style="list-style-type: none"> <i>• the individual's domestic partner and children;</i> <i>• children of the individual's domestic partner; and</i> <i>• dependants of the individual or the individual's domestic partner.</i> 	
FRS 24.9(f)	A party is related to an entity if the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in paragraphs 9(a) to 9(e) of FRS 24 (see above).	
FRS 24.9(g)	A party is related to an entity if the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>Notes:</i></p>	
FRS 24.10	<p>1) <i>In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.</i></p>	
FRS 24.11	<p>2) <i>In the context of FRS 24, the following are not necessarily related parties:</i></p> <ul style="list-style-type: none"> • <i>two entities simply because they have a director or other member of key management personnel in common, notwithstanding (d) and (f) in the definition of related party in paragraph 9 of FRS 24 (see above);</i> • <i>two venturers simply because they share joint control over a joint venture;</i> • <i>providers of finance, trade unions, public utilities, government departments and entities, simply by virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate its decision-making process); and</i> • <i>a customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, merely by virtue of the resulting economic dependence.</i> 	
	<p>Related party disclosures</p>	
	<p><i>Disclosure of parent and ultimate controlling party</i></p>	
FRS 24.12	<p>An entity shall disclose the name of its parent and, if different, its ultimate controlling party.</p>	
FRS 24.12	<p><i>Note: Relationships between parents and subsidiaries shall be disclosed irrespective of whether there have been transactions between those related parties.</i></p>	
FRS 24.12	<p>If neither the parent nor the ultimate controlling party produces financial statements for public use, the name of the next most senior parent that does produce such financial statements shall also be disclosed.</p>	
FRS 24.15	<p><i>Note: The next most senior parent is the first parent in the group above the immediate parent that produces consolidated financial statements for public use.</i></p>	
FRS 24.13	<p>To enable users of financial statements to form a view about the effects of related party relationships on an entity, it is appropriate to disclose the related party relationship when control exists, irrespective of whether there have been transactions between the related parties.</p>	
FRS 24.14	<p><i>Note: The identification of related party relationships between parents and subsidiaries is in addition to the disclosure requirements in FRS 27, Consolidated and Separate Financial Statement, FRS 28, Investments in Associates, and FRS 31, Interests in Joint Ventures, which require an appropriate listing and description of significant investments in subsidiaries, associates and jointly controlled entities.</i></p>	
	<p><i>Compensation of key management personnel</i></p>	
FRS 24.16	<p>An entity shall disclose key management personnel compensation in total.</p>	
	<p><i>Notes:</i></p>	
FRS 24.9	<p>1) <i>See above for the definition of key management personnel.</i></p>	
	<p>2) <i>Compensation includes all employee benefits (as defined in FRS 19, Employee Benefits) including employee benefits to which FRS 102, Share-based Payment, applies. Employee benefits are all forms of consideration paid, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity. Compensation includes:</i></p> <ul style="list-style-type: none"> • <i>short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees;</i> • <i>post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;</i> • <i>other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation;</i> • <i>termination benefits; and</i> • <i>share-based payment.</i> 	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 24.16(a) FRS 24.16(b) FRS 24.16(c) FRS 24.16(d) FRS 24.16(e)	<p>An entity shall disclose key management personnel compensation for each of the following categories:</p> <p>a) short-term employee benefits;</p> <p>b) post-employment benefits;</p> <p>c) other long-term benefits;</p> <p>d) termination benefits; and</p> <p>e) share-based payments.</p>	
FRS 24.17	<p>Transactions between related parties</p> <p>If there have been transactions between related parties an entity shall disclose:</p> <p>a) the nature of the related party relationship; and</p> <p>b) information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements.</p>	
FRS 24.17	<p><i>Note: These disclosures are in addition to the requirements in paragraph 16 of FRS 24 to disclose key management personnel compensation (see above).</i></p>	
FRS 24.17(a) FRS 24.17(b) FRS 24.17(c) FRS 24.17(d)	<p>At a minimum, the information disclosed about related party transactions and outstanding balances shall include:</p> <p>a) the amount of the transactions;</p> <p>b) the amount of the outstanding balances and:</p> <p style="padding-left: 20px;">i) their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and</p> <p style="padding-left: 20px;">ii) details of any guarantees given or received;</p> <p>c) provisions for doubtful debts related to the amount of outstanding balances; and</p> <p>d) the expense recognised during the period in respect of bad or doubtful debts due from related parties.</p>	
FRS 24.18(a) FRS 24.18(b) FRS 24.18(c) FRS 24.18(d) FRS 24.18(e) FRS 24.18(f) FRS 24.18(g)	<p>The disclosures required by paragraph 17 of FRS 24 (see above) shall be made separately for each of the following categories:</p> <p>a) the parent;</p> <p>b) entities with joint control or significant influence over the entity;</p> <p>c) subsidiaries;</p> <p>d) associates;</p> <p>e) joint ventures in which the entity is a venturer;</p> <p>f) key management personnel of the entity or its parent; and</p> <p>g) other related parties.</p>	
FRS 24.19	<p><i>Notes:</i></p> <p>1) <i>The classification of amounts payable to, and receivable from, related parties in the different categories as required in paragraph 18 of FRS 24 (see above) is an extension of the disclosure requirement in FRS 1, Presentation of Financial Statements, for information to be presented either on the balance sheet or in the notes. The categories are extended to provide a more comprehensive analysis of related party balances and apply to related party transactions.</i></p>	
FRS 24.20	<p>2) <i>The following are examples of transactions that are disclosed if they are with a related party:</i></p> <ul style="list-style-type: none"> • <i>purchases or sales of goods (finished or unfinished);</i> • <i>purchases or sales of property and other assets;</i> • <i>rendering or receiving of services;</i> • <i>leases;</i> 	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<ul style="list-style-type: none"> • <i>transfers of research and development;</i> • <i>transfers under licence agreements;</i> • <i>transfers under finance arrangements (including loans and equity contributions in cash or in kind);</i> • <i>provision of guarantees or collateral; and</i> • <i>settlement of liabilities on behalf of the entity or by the entity on behalf of another party.</i> <p>3) <i>With effect from the implementation of the amendments to FRS 19, Employee Benefits, issued in June 2005 (see FRS 19 section of this checklist), paragraph 20 of FRS 24 (see above) is amended to include the following additional example of a disclosable related party transaction:</i></p> <p><i>"Participation by a parent or a subsidiary in a defined benefit plan that shares risks between group entities is a transaction between related parties (see paragraph 34B of FRS 19).</i></p> <p><i>" The effective date of these amendments is January 1, 2006, although earlier adoption is encouraged.</i></p>	
FRS 24.21	Disclosures that related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.	
FRS 24.22	Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements.	
	Adoption of Standard before effective date	
FRS 24.23	If the entity has applied FRS 24 for annual periods beginning before January 1, 2005, it shall disclose that fact.	

FRS 25 Accounting for Investments

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 25 Foreword	<p><i>This section of the checklist addresses the disclosure requirements for investments within the scope of FRS 25, for example, investment properties not accounted for under FRS 40 (which is effective for annual periods beginning on or after January 1, 2007).</i></p> <p><i>Notes:</i></p> <p><i>For the purpose of FRS 25, an investment property is an interest in land and/or buildings:</i></p> <ol style="list-style-type: none"> <i>1. in respect of which construction work and development have been completed; and</i> <i>2. which is held for its investment potential, any rental income being negotiated at arm's length.</i> <p><i>Exceptions from the definition:</i></p> <ol style="list-style-type: none"> <i>1. A property which is owned and used by an entity for its own purposes is not an investment property, for example, a hotel or a warehouse.</i> <i>2. A property let to, and occupied by, another group company is not an investment property for the purposes of its own financial statements or the group financial statements.</i> <p><i>Investment properties may be held by an entity which holds investments as part of its business such as an investment trust or a property investment company. Investment properties may also be held by an entity whose main business is not the holding of investments.</i></p>	
FRS 25.28	<p><i>An entity holding investment properties should either –</i></p> <ol style="list-style-type: none"> <i>1. treat them as property in accordance with FRS 16 Property, Plant and Equipment;</i> <i>2. account for them as long-term investments.</i> 	
FRS 25.49	An entity should disclose the following for investments:	
FRS 25.49(a)	<p>a) the accounting policies for -</p> <ol style="list-style-type: none"> i) the determination of carrying amount of investments; ii) the treatment of changes in market value of current investments carried at market value; and iii) the treatment of a revaluation surplus on the sale of a revalued investment; 	
FRS 25.49(b)	<p>b) the significant amounts included in income for -</p> <ol style="list-style-type: none"> i) interest, royalties, dividends and rentals on long-term and current investments; ii) profits and losses on disposal of current investments; and iii) changes in value of such investments; 	
FRS 25.49(c)	c) the market value of marketable investments if they are not carried at market value;	
FRS 25.49(d)	d) the fair value of investment properties if they are accounted for as long-term investments and not carried at fair value;	
FRS 25.49(e)	e) significant restrictions on the realisability of investments or remittance of income and proceeds of disposal;	
FRS 25.49(f)	<p>f) for long-term investments stated at revalued amounts -</p> <ol style="list-style-type: none"> i) the policy for the frequency of revaluations; ii) the date of the latest revaluation; and iii) the basis of revaluation and whether an external valuer was involved; 	
FRS 25.49(g)	g) the movements for the period in revaluation surplus and the nature of such movements; and	
FRS 25.49(h)	h) for entities whose main business is the holding of investments an analysis of the portfolio of investments.	
FRS 25.45	<p><i>Note: Specialised investment entities should include in the financial statements a summary of all movements in value of their investments for the period.</i></p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
	Additional encouraged disclosures	
FRS 25.50	Entities are <u>encouraged</u> , but not required, to disclose the following information:	
FRS 25.50(a)	a) an analysis of long-term investments by category;	
FRS 25.50(b)	b) the directors' assessment of the fair value of investments that are not marketable;	
FRS 25.50(c)	c) where investments are not marketable, the method of assessing value used for comparison with cost, where applicable;	
FRS 25.50(d)	d) the amount of any previous revaluation surplus which related to the investments disposed of during the year and which has been previously distributed or converted into share capital; and	
FRS 25.50(e)	e) details of any single investment which represents a significant proportion of the reporting entity's assets.	

FRS 26

Accounting and Reporting by Retirement Benefit Plans

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 26, which should be applied in the reports of retirement benefit plans where such reports are prepared. Retirement benefit plans are sometimes referred to by various other names such as 'pension schemes', 'superannuation schemes' or 'retirement benefit schemes'.</i></p> <p><i>Retirement benefit plans are normally described as either defined contribution or defined benefit plans, each having their own distinctive characteristics. Occasionally plans exist that contain characteristics of both. Such hybrid plans are considered to be defined benefit plans for the purpose of FRS 26.</i></p> <p><i>FRS 26 regards a retirement benefit plan as a reporting entity separate from the employees of the participants of the plan. All other FRSs apply to the financial statements of retirement benefit plans to the extent that they are not superseded by FRS 26. FRS 26 complements FRS 19, Employee Benefits, the Standard concerned with the determination of the cost of retirement benefits in the financial statements of employers having plans.</i></p> <p><i>FRS 26 deals with accounting and reporting by the plan to all participants (as defined) as a group. It does not deal with reports to individual participants about their retirement benefit plans.</i></p> <p><i>FRS 26 applies to defined contribution schemes and defined benefit schemes regardless of the creation or otherwise of a separate fund (which may or may not have a separate legal identity and may or may not have trustees) to which contributions are made and from which retirement benefits are paid.</i></p> <p><i>Retirement benefit plans with assets invested with insurance companies are subject to the same accounting and funding requirements as privately invested arrangements and, accordingly, are within the scope of FRS 26 unless the contract with the insurance company is in the name of a specified participant or group of participants and the retirement benefit obligation is solely the responsibility of the insurance company.</i></p> <p>Defined contribution plans</p>	
FRS 26.13	<p>The financial statements of a defined contribution plan shall contain:</p> <ol style="list-style-type: none"> a statement of net assets available for benefits; and a description of the funding policy. <p>The financial statements usually include:</p>	
FRS 26.16(a)	<ol style="list-style-type: none"> a description of significant activities for the period and the effect of any changes relating to the plan, and its membership and terms and conditions; 	
FRS 26.16(b)	<ol style="list-style-type: none"> statements reporting on the transactions and investment performance for the period and the financial position of the plan at the end of the period; and 	
FRS 26.16(c)	<ol style="list-style-type: none"> a description of the investment policies. 	
	<p><i>Note: The disclosures set out in paragraph 16 of FRS 26 (see above) are designed to achieve the primary objective of reporting by a defined contribution plan, i.e. to provide information about the plan and the performance of its investments.</i></p> <p>Defined benefit plans</p>	
	<p>The financial statements of a defined benefit plan shall contain either:</p>	
FRS 26.17(a)	<ol style="list-style-type: none"> a statement that shows: <ol style="list-style-type: none"> the net assets available for benefits; the actuarial present value of promised retirement benefits, distinguishing between vested benefits and non-vested benefits; and the resulting excess or deficit; or 	
FRS 26.17(b)	<ol style="list-style-type: none"> a statement of net assets available for benefits including either: <ol style="list-style-type: none"> a note disclosing the actuarial present value of promised retirement benefits, distinguishing between vested benefits and non-vested benefits; or a reference to this information in an accompanying actuarial report. 	
FRS 26.17	<p><i>Note: If an actuarial valuation has not been prepared at the date of the financial statements, the most recent valuation shall be used as a base.</i></p>	
FRS 26.17	<p>If an actuarial valuation has not been prepared at the date of the financial statements, the date of the most recent valuation that has been used shall be disclosed.</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 26.18	<p>For the purposes of paragraph 17 of FRS 26 (see above):</p> <ul style="list-style-type: none"> a) the actuarial present value of promised retirement benefits shall be based on the benefits promised under the terms of the plan on service rendered to date using either current salary levels or projected salary levels: and b) the basis used shall be disclosed in the financial statements. 	
FRS 26.18	The effect of any changes in actuarial assumptions that have had a significant effect on the actuarial present value of promised retirement benefits shall be disclosed.	
FRS 26.19	The financial statements shall explain the relationship between the actuarial present value of promised retirement benefits and the net assets available for benefits, and the policy for the funding of promised benefits.	
FRS 26.22	<p>The financial statements should usually include:</p> <ul style="list-style-type: none"> a) a description of significant activities for the period and the effect of any changes relating to the plan, and its membership and terms and conditions; b) statements reporting on the transactions and investment performance for the period and the financial position of the plan at the end of the period; c) actuarial information either as part of the statements or by way of a separate report: and d) a description of the investment policies. 	
FRS 26.22	<p><i>Note: The disclosures set out in paragraph 22 of FRS 26 (see above) are designed to achieve the primary objective of reporting by a defined benefit plan, i.e. periodically to provide information about the financial resources and activities of the plan that is useful in assessing the relationships between the accumulation of resources and plan benefits over time.</i></p>	
FRS 26.26	In addition to the disclosure of the actuarial present value of promised retirement benefits, sufficient explanation may need to be given so as to indicate clearly the context in which the actuarial present value of promised retirement benefits should be read.	
FRS 26.26	<p><i>Note: Such explanation may be in the form of information about the adequacy of the planned future funding and of the funding policy based on salary projections. This may be included in the financial statements or in the actuary's report.</i></p>	
	<p>All plans</p>	
FRS 26.32	Where plan investments are held for which an estimate of fair value is not possible, disclosure shall be made of the reason why fair value is not used.	
FRS 26.33	<p>To the extent that investments are carried at amounts other than market value or fair value, fair value is generally also disclosed.</p> <p>The financial statements of the retirement benefit plan, whether defined benefit or defined contribution, shall also contain the following information:</p>	
FRS 26.34(a)	a) a statement of changes in net assets available for benefits;	
FRS 26.34(b)	b) a summary of significant accounting policies; and	
FRS 26.34(c)	c) a description of the plan and the effect of any changes in the plan during the period.	
	The financial statements provided by retirement benefit plans include the following, if applicable:	
FRS 26.35(a)	<p>a) a statement of net assets available for benefits disclosing:</p> <ul style="list-style-type: none"> i) assets at the end of the period suitably classified; ii) the basis of valuation of assets; iii) details of any single investment exceeding either 5% of the net assets available for benefits or 5% of any class or type of security; iv) details of any investment in the employer; and v) liabilities other than the actuarial present value of promised retirement benefits; 	
FRS 26.35(b)	<p>b) a statement of changes in net assets available for benefits showing the following:</p> <ul style="list-style-type: none"> i) employer contributions; ii) employee contributions; iii) investment income such as interest and dividends; 	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<ul style="list-style-type: none"> iv) other income; v) benefits paid or payable (analysed, for example, as retirement, death and disability benefits, and lump sum payments); vi) administrative expenses; vii) other expenses; viii) taxes on income; ix) profits and losses on disposal of investments and changes in value of investments; and x) transfers from and to other plans; 	
FRS 26.35(c)	c) a description of the funding policy;	
FRS 26.35(d)	d) for defined benefit plans, the actuarial present value of promised retirement benefits (which may distinguish between vested benefits and non-vested benefits) based on the benefits promised under the terms of the plan, on service rendered to date and using either current salary levels or projected salary levels; and	
FRS 26.35(d)	<i>Note: This information may be included in an accompanying actuarial report to be read in conjunction with the related financial information.</i>	
FRS 26.35(e)	<p>e) for defined benefit plans, a description of the significant actuarial assumptions made and the method used to calculate the actuarial present value of promised retirement benefits.</p> <p>The report of a retirement benefit plan contains a description of the plan, either as part of the financial information or in a separate report. It may contain the following :</p>	
FRS 26.36(a)	a) the names of the employers and the employee groups covered;	
FRS 26.36(b)	b) the number of participants receiving benefits and the number of other participants, classified as appropriate;	
FRS 26.36(c)	c) the type of plan - defined contribution or defined benefit;	
FRS 26.36(d)	d) a note as to whether participants contribute to the plan;	
FRS 26.36(e)	e) a description of the retirement benefits promised to participants;	
FRS 26.36(f)	f) a description of any plan termination terms; and	
FRS 26.36(g)	g) changes in items (a) to (f) above during the period covered by the report.	
FRS 26.36	<i>Note: It is not uncommon to refer to other documents that are readily available to users and in which the plan is described, and to include only information on subsequent changes in the report.</i>	

FRS 27 Consolidated and Separate Financial Statements

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 27, which prescribes the accounting principles for the preparation of consolidated financial statements for a group of entities under the control of a parent. The Standard also applies to the accounting for investments in subsidiaries, jointly controlled entities and associates when an entity elects, or is required by local regulations, to present separate financial statements. The primary issues are identifying whether an investment is a subsidiary and how to apply consolidation procedures.</i></p>	
	Minority interests	
FRS 27.33	Minority interests shall be presented in the consolidated balance sheet within equity, separately from the parent shareholders' equity.	
FRS 27.33	Minority interests in the profit or loss of the group shall be separately disclosed.	
	General disclosures in consolidated financial statements	
	The following disclosures shall be made in consolidated financial statements:	
FRS 27.40(c)	a) the nature of the relationship between the parent and a subsidiary when the parent does not own, directly or indirectly through subsidiaries, more than half of the voting power;	
FRS 27.40(d)	b) the reasons why the ownership, directly or indirectly through subsidiaries, of more than half of the voting or potential voting power of an investee does not constitute control;	
FRS 27.40(e)	c) the reporting date of the financial statements of a subsidiary when such financial statements are used to prepare consolidated financial statements and are as of a reporting date or for a period that is different from that of the parent, and the reason for using a different reporting date or period; and	
FRS 27.40(f)	d) the nature and extent of any significant restrictions (e.g. resulting from borrowing arrangements or regulatory requirements) on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans or advances.	
	Separate financial statements	
	When separate financial statements are prepared for a parent that, in accordance with paragraph 10 of FRS 27, elects not to prepare consolidated financial statements, those separate financial statements shall disclose:	
FRS 27.41(a)	a) the following: <ul style="list-style-type: none"> i) the fact that the financial statements are separate financial statements; ii) the fact that the exemption from consolidation has been used; iii) the name and country of incorporation or residence of the entity whose consolidated financial statements have been produced for public use; and iv) the address where those consolidated financial statements are obtainable; 	
FRS 27.41(b)	b) a list of significant investments in subsidiaries, jointly controlled entities and associates, including the name, country of incorporation or residence, proportion of ownership interest and, if different, proportion of voting power held; and	
FRS 27.41(c)	c) a description of the method used to account for the investments listed under paragraph 41(b) of FRS 27 (see above).	
	When a parent (other than a parent covered by paragraph 41 of FRS 27 – see above), venturer with an interest in a jointly controlled entity or an investor in an associate prepares separate financial statements, those separate financial statements shall disclose:	
FRS 27.42(a)	a) the fact that the statements are separate financial statements and the reasons why those statements are prepared, if not required by law;	
FRS 27.42(b)	b) a list of significant investments in subsidiaries, jointly controlled entities and associates, including the name, country of incorporation or residence, proportion of ownership interest and, if different, proportion of voting power held; and	
FRS 27.42(c)	c) a description of the method used to account for the investments listed under paragraph 42(b) (see above).	
FRS 27.42	The separate financial statements referred to in paragraph 42 of FRS 27 shall identify the consolidated financial statements prepared in accordance with paragraph 9 of FRS 27, FRS 28 <i>Investments in Associates</i> and FRS 31 <i>Interests in Joint Ventures</i> to which they relate.	
	Adoption of Standard before effective date	
FRS 27.43	If the entity has applied FRS 27 for annual periods beginning before January 1, 2005, it shall disclose that fact.	

FRS 28 Investments in Associates

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 28, which prescribes the accounting by an investor for investments in associates. The primary issues are identifying whether significant influence exists and the application of the equity method.</i></p>	
	<p>Presentation</p>	
FRS 28.38	<p>Investments in associates accounted for using the equity method shall be classified as non-current assets.</p>	
	<p>Disclosure</p>	
	<p>The following disclosures shall be made:</p>	
FRS 28.37(a)	<p>a) the fair value of investments in associates for which there are published price quotations;</p>	
FRS 28.37(b)	<p>b) summarised financial information of associates, including the aggregated amounts of assets, liabilities, revenues and profit or loss;</p>	
FRS 28.37(c)	<p>c) the reasons why the presumption that an investor does <u>not</u> have significant influence is overcome if the investor holds, directly or indirectly through subsidiaries, less than 20 per cent of the voting or potential voting power of the investee but concludes that it has significant influence;</p>	
FRS 28.37(d)	<p>d) the reasons why the presumption that an investor has significant influence is overcome if the investor holds, directly or indirectly through subsidiaries, 20 per cent or more of the voting or potential voting power of the investee but concludes that it does not have significant influence;</p>	
FRS 28.37(e)	<p>e) the reporting date of the financial statements of an associate, when such financial statements are used in applying the equity method and are as of a reporting date or for a period that is different from that of the investor, and the reason for using a different reporting date or different period;</p>	
FRS 28.37(f)	<p>f) the nature and extent of any significant restrictions (e.g. resulting from borrowing arrangements or regulatory requirements) on the ability of associates to transfer funds to the investor in the form of cash dividends, or repayment of loans or advances;</p>	
FRS 28.37(g)	<p>g) the unrecognised share of losses of an associate, both for the period and cumulatively, if an investor has discontinued recognition of its share of losses of an associate;</p>	
FRS 28.37(h)	<p>h) the fact that an associate is not accounted for using the equity method in accordance with paragraph 13 of FRS 28; and</p>	
FRS 28.37(i)	<p>i) summarised financial information of associates, either individually or in groups, that are not accounted for using the equity method, including the amounts of total assets, total liabilities, revenues and profit or loss.</p>	
FRS 28.38	<p>The following shall be separately disclosed:</p>	
	<p>a) the investor's share of the profit or loss of associates accounted for using the equity method;</p>	
	<p>b) the carrying amount of those investments; and</p>	
	<p>c) the investor's share of any discontinued operations of such associates.</p>	
FRS 28.39	<p>The investor's share of changes recognised directly in the associate's equity shall be recognised directly in equity by the investor and shall be disclosed in the statement of changes in equity as required by FRS 1 <i>Presentation of Financial Statements</i>.</p>	
	<p>In accordance with FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>, the investor shall disclose:</p>	
FRS 28.40(a)	<p>a) its share of the contingent liabilities of an associate incurred jointly with other investors; and</p>	
FRS 28.40(b)	<p>b) those contingent liabilities that arise because the investor is severally liable for all or part of the liabilities of the associate.</p>	
	<p>Adoption of Standard before effective date</p>	
FRS 28.41	<p>If the entity has applied FRS 28 for annual periods beginning before January 1, 2005, it shall disclose that fact.</p>	

FRS 29 Financial Reporting in Hyperinflationary Economics

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 29, which is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy. The Standard does not establish an absolute rate at which hyperinflation is deemed to arise – but cites a number of characteristics of the economic environment of a country which indicate the presence of hyperinflation. Refer to the text of the Standard for details.</i></p>	
FRS 29.9	The gain or loss on the net monetary position shall be included in profit or loss and separately disclosed.	
FRS 29.28	It may be helpful if other income statement items, such as interest income and expense, and foreign exchange differences related to invested or borrowed funds, which are also associated with the net monetary position, are presented together with the gain or loss on net monetary position in the income statement.	
FRS 29.28	<p><i>Note: This presentation is encouraged, but not required</i></p>	
	The following disclosures shall be made:	
FRS 29.39(a)	a) the fact that the financial statements and the corresponding figures for previous periods have been restated for the changes in the general purchasing power of the functional currency and, as a result, are stated in terms of the measuring unit current at the balance sheet date;	
FRS 29.39(b)	b) whether the financial statements are based on a historical cost approach or a current cost approach; and	
FRS 29.39(c)	c) the identity and level of the price index at the balance sheet date and the movement in the index during the current and the previous reporting period.	

FRS 31 Interests in Joint Ventures

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 31, which prescribes the accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, income and expenses in the financial statements of venturers and investors. Joint ventures can be structured in many different ways. The Standard identifies three broad types of joint ventures – jointly controlled operations, jointly controlled assets and jointly controlled entities. The primary issues are identifying whether joint control exists, identifying the type of joint venture and the application of proportionate consolidation or the equity method of accounting.</i></p> <p>Reporting formats for interests accounted for using proportionate consolidation</p>	
FRS 31.30,34	<p>When proportionate consolidation is used by a venturer to account for its interest in a jointly controlled entity, one of the following reporting formats shall be used:</p> <p>a) the venturer may combine its share of each of the assets, liabilities, income and expenses of the jointly controlled entity with the similar items, line by line, in its financial statements (e.g. it may combine its share of the jointly controlled entity's inventory with its inventory, and its share of the jointly controlled entity's property, plant and equipment with its property, plant and equipment); or</p> <p>b) the venturer may include separate line items for its share of the assets, liabilities, income and expenses of the jointly controlled entity in its financial statements (e.g. it may show its share of a current asset of the jointly controlled entity separately as part of its current assets; it may show its share of the property, plant and equipment of the jointly controlled entity separately as part of its property, plant and equipment).</p>	
FRS 31.34	<p><i>Note: Both these reporting formats result in the reporting of identical amounts of profit or loss and of each major classification of assets, liabilities, income and expenses.</i></p>	
FRS 31.35	<p>Whichever format is used to give effect to proportionate consolidation, it is inappropriate to offset any assets or liabilities by the deduction of other liabilities or assets or any income or expenses by the deduction of other expenses or income unless a legal right of set-off exists and the offsetting represents the expectation as to the realisation of the asset or the settlement of the liability.</p> <p>Disclosure</p> <p>A venturer shall disclose the aggregate amount of the following contingent liabilities, unless the probability of loss is remote, separately from the amount of other contingent liabilities:</p>	
FRS 31.54(a)	a) any contingent liabilities that the venturer has incurred in relation to its interests in joint ventures and its share in each of the contingent liabilities that have been incurred jointly with other venturers;	
FRS 31.54(b)	b) its share of the contingent liabilities of the joint ventures themselves for which it is contingently liable; and	
FRS 31.54(c)	c) those contingent liabilities that arise because the venturer is contingently liable for the liabilities of the other venturers of a joint venture	
	<p>A venturer shall disclose the aggregate amount of the following commitments in respect of its interests in joint ventures separately from other commitments:</p>	
FRS 31.55(a)	a) any capital commitments of the venturer in relation to its interests in joint ventures and its share in the capital commitments that have been incurred jointly with other venturers; and	
FRS 31.55(b)	b) its share of the capital commitments of the joint ventures themselves.	
FRS 31.56	A venturer shall disclose a listing and description of interests in significant joint ventures.	
FRS 31.56	A venturer shall disclose the proportion of ownership interest held in each of its jointly controlled entities.	
FRS 31.56	A venturer that recognises its interests in jointly controlled entities using the line-by-line reporting format for proportionate consolidation or the equity method, shall disclose the aggregate amounts of each of current assets, long-term assets, current liabilities, long-term liabilities, income and expenses related to its interests in joint ventures.	
FRS 31.57	A venturer shall disclose the method it uses to recognise its interests in jointly controlled entities.	
	<p>Adoption of Standard before effective date</p>	
FRS 31.58	If the entity has applied FRS 31 for annual periods beginning before January 1, 2005, it shall disclose that fact.	

FRS 32 Financial Instruments: Disclosure and Presentation

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 32, which prescribes the disclosure and presentation of financial instruments. The presentation requirements apply to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.</i></p> <p><i>The Application Guidance issued as an integral part of FRS 32 explains the application of particular aspects of the Standard. Additional references are provided in this section to the relevant paragraphs of the Application Guidance (AG). The Illustrative Examples (IE) accompanying FRS 32 provide additional guidance.</i></p>	
	<p>Presentation</p> <p>Liabilities and equity</p>	
FRS 32.15	<p>The issuer of a financial instrument shall classify the instrument, <u>on initial recognition</u>, as a financial liability, a financial asset or an equity instrument.</p> <p><i>Note: Detailed requirements for the classification of financial instruments and their component parts are set out below.</i></p>	
FRS 32.15	<p>The issuer shall classify a financial instrument in accordance with the substance of the contractual arrangement rather than the legal form, and in accordance with the definitions of a financial liability, a financial asset and an equity instrument.</p>	
FRS 32.16 AG 25 to AG 29	<p>When an issuer applies the definitions in paragraph 11 of FRS 32 to determine whether a financial instrument is an equity instrument rather than a financial liability, the instrument is an equity instrument if, and only if, both conditions (a) and (b) below are met:</p> <p>a) the instrument includes no contractual obligation:</p> <p>i) to deliver cash or another financial asset to another entity; or</p> <p>ii) to exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the issuer; and</p> <p>b) if the instrument will or may be settled in the issuer's own equity instruments, it is:</p> <p>i) a non-derivative instrument that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or</p> <p>ii) a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.</p>	
FRS 32.17 to 20 AG 25 to AG 26	<p><i>Notes:</i></p> <p>1) <i>A critical feature in differentiating a financial liability from an equity instrument is the existence of a contractual obligation of one party (the issuer) either to deliver cash or another financial asset to another party (the holder) or to exchange financial assets or liabilities with the holder under conditions that are potentially unfavourable to the issuer. For example, the issuer of an equity instrument does not usually have a contractual obligation to make dividend distributions and the instrument is therefore equity because the entity cannot be required to deliver cash or another financial asset.</i></p> <p>2) <i>If an entity does not have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation, the obligation meets the definition of a financial liability. A financial instrument that does not explicitly establish a contractual obligation to deliver cash or another financial asset may establish an obligation indirectly through its terms and conditions.</i></p> <p>3) <i>Similarly, a financial instrument that gives the holder the right to put it back to the issuer for cash or another financial asset (a puttable instrument) is a financial liability. This is so even if the amount of cash or other financial asset is determined on the basis of some underlying.</i></p>	
FRS 32.21 to 24 AG 27	<p>4) <i>A contract is not an equity instrument solely because it may result in the receipt or delivery of the entity's own equity instruments. An entity may have a contractual right or obligation to receive or deliver a number of its own shares or other equity instruments that varies so that the fair value of the entity's own equity instruments to be received or delivered equals the amount of the contractual right or obligation. Such a contract is a financial liability of the entity even though the entity must or can settle it by delivering its own equity instruments. It is not an equity instrument as the contract does not evidence a residual interest in the entity's assets after deducting all of its liabilities.</i></p> <p>5) <i>A contract that will be settled by the entity receiving or delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash or another financial asset is an equity instrument. Exposure to changes in the fair value of such a contract, arising from variations in market interest rates that do not affect the amount of cash /financial asset /equity instruments to be received or delivered, on settlement of the contract,</i></p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 32.25 to 26 AG28	<p><i>do not preclude the contract from being an equity instrument. Any consideration received or paid is added or deducted directly to / from equity.</i></p> <p>6) <i>A contract that contains an obligation for an entity to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount. A contract that will be settled by the entity delivering or receiving a fixed number of its own equity instruments in exchange for a variable amount of cash or another financial asset is a financial asset or liability. An example is a contract for the entity to deliver 100 of its own equity instruments in return for an amount of cash calculated to equal the value of 100 ounces of gold.</i></p> <p>7) <i>A financial instrument that requires the entity to deliver or settle in cash or another financial asset in the event of the occurrence or non-occurrence of uncertain future events that are beyond the control of both the issuer and the holder is a financial liability as the issuer does not have the unconditional right to avoid delivery.</i></p> <p>8) <i>When a derivative financial instrument gives one party a choice over how it is settled, it is a financial asset or a financial liability unless all of the settlement alternatives would result in it being an equity instrument.</i></p>	
	<p>Compound financial instruments</p>	
FRS 32.28 AG 30 to AG 35	<p>The issuer of a non-derivative financial instrument shall evaluate the terms of the financial instrument to determine whether it contains both a liability and an equity component. Such components shall be classified separately as financial liabilities, financial assets or equity instruments in accordance with paragraph 15 of FRS 32 (see above).</p>	
	<p>Notes:</p>	
FRS 32.29	<p>1) <i>An entity recognises separately the components of a financial instrument that (a) creates a financial liability of the entity and (b) grants an option to the holder of the instrument to convert it into an equity instrument of the entity. For example, a bond or similar instrument convertible by the holder into a fixed number of ordinary shares of the entity is a compound financial instrument. From the perspective of the entity, such an instrument comprises two components: a financial liability (a contractual arrangement to deliver cash or another financial asset) and an equity instrument (a call option granting the holder the right, for a specified period of time, to convert it into a fixed number of ordinary shares of the entity). The economic effect of issuing such an instrument is substantially the same as issuing simultaneously a debt instrument with an early settlement provision and warrants to purchase ordinary shares, or issuing a debt instrument with detachable share purchase warrants. Accordingly, in all cases, the entity presents the liability and equity components separately on its balance sheet.</i></p>	
FRS 32.30	<p>2) <i>Classification of the liability and equity components of a convertible instrument is not revised as a result of a change in the likelihood that a conversion option will be exercised, even when exercise of the option may appear to have become economically advantageous to some holders.</i></p>	
FRS 32.31	<p>3) <i>FRS 39 deals with the measurement of financial assets and financial liabilities. Equity instruments are instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Therefore, when the initial carrying amount of a compound financial instrument is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The value of any derivative features (such as a call option) embedded in the compound financial instrument other than the equity component (such as an equity conversion option) is included in the liability component. The sum of the carrying amounts assigned to the liability and equity components on initial recognition is always equal to the fair value that would be ascribed to the instrument as a whole. No gain or loss arises from initially recognising the components of the instrument separately.</i></p>	
FRS 32.32	<p>4) <i>Under the approach described in paragraph 31 of FRS 32 (see above), the issuer of a bond convertible into ordinary shares first determines the carrying amount of the liability component by measuring the fair value of a similar liability (including any embedded non-equity derivative features) that does not have an associated equity component. The carrying amount of the equity instrument represented by the option to convert the instrument into ordinary shares is then determined by deducting the fair value of the financial liability from the fair value of the compound financial instrument as a whole.</i></p>	
AG 36	<p>Treasury shares</p>	
	<p>Where the entity (or another member of the consolidated group) has reacquired (acquired) the entity's own equity instruments ("treasury shares"):</p>	
FRS 32.33	<p>a) those treasury shares shall be deducted from equity;</p>	
FRS 32.33	<p>b) no gain or loss shall be recognised in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments;</p>	
FRS 32.33	<p>c) consideration paid or received shall be recognised directly in equity;</p>	
FRS 32.34	<p>d) the amount of treasury shares held is disclosed separately, either on the face of the balance sheet or in the notes, in accordance with FRS 1 <i>Presentation of Financial Statements</i>; and</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 32.34	e) an entity makes appropriate disclosures in accordance with FRS 24 <i>Related Party Disclosures</i> if the entity reacquires its own equity instruments from related parties.	
AG 37	<i>Interest, dividends, losses and gains</i>	
FRS 32.35	Interest, dividends, losses and gains relating to a financial instrument or a component of a financial instrument that is a financial liability shall be recognised as income or expense in profit or loss.	
FRS 32.35	Distributions to holders of an equity instrument shall be debited by the entity directly to equity, net of any related income tax benefit.	
FRS 32.36	<i>Note: The classification of a financial instrument as a financial liability or an equity instrument determines whether interest, dividends, losses and gains relating to that instrument are recognised as income or expense in profit or loss. Thus, dividend payments on shares wholly recognised as liabilities are recognised as expenses in the same way as interest on a bond. Similarly, gains and losses associated with redemptions or refinancings of financial liabilities are recognised in profit or loss, whereas redemptions or refinancings of equity instruments are recognised as changes in equity. Changes in the fair value of an equity instrument are not recognised in the financial statements.</i>	
FRS 32.35	Transaction costs of an equity transaction, other than costs of issuing an equity instrument that are directly attributable to the acquisition of a business (which shall be accounted for under FRS 103 <i>Business Combinations</i>), shall be accounted for as a deduction from equity, net of any related income tax benefit.	
FRS 32.37	The costs of an equity transaction that is abandoned are recognised as an expense.	
FRS 32.38	Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of the proceeds.	
FRS 32.38	Transaction costs that relate jointly to more than one transaction (e.g. costs of a concurrent offering of some shares and a stock exchange listing of other shares) are allocated to the transactions using a basis of allocation that is rational and consistent with similar transactions.	
FRS 32.39	The amount of transaction costs accounted for as a deduction from equity in the period is disclosed separately under FRS 1 <i>Presentation of Financial Statements</i> .	
FRS 32.39	The related amount of income taxes recognised directly in equity is included in the aggregate amount of current and deferred income tax credited or charged to equity that is disclosed under FRS 12 <i>Income Taxes</i> .	
FRS 32.40	Dividends that are classified as an expense may be presented in the income statement either with interest on other liabilities or as a separate item.	
FRS 32.40	<i>Note: In addition to the requirements of FRS 32, disclosure of interest and dividends is subject to the requirements of FRS 1, Presentation of Financial Statements. In some circumstances, because of the differences between interest and dividends with respect to matters such as tax deductibility, it is desirable to disclose them separately in the income statement. Disclosures of the tax effects are made in accordance with FRS 12, Income Taxes.</i>	
FRS 32.41	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) of FRS 32).	
FRS 32.41	<i>Note: Under FRS 1, Presentation of Financial Statements, the entity presents any gain or loss arising from remeasurement of such an instrument separately on the face of the income statement when it is relevant in explaining the entity's performance.</i>	
AG38 to AG39	<i>Offsetting a financial asset and a financial liability</i>	
FRS 32.42	A financial asset and a financial liability shall be offset and the net amount presented in the balance sheet when, and only when, an entity:	
	<ul style="list-style-type: none"> a) currently has a legally enforceable right to set off the recognised amounts; and b) the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. 	
	<i>Notes:</i>	
FRS 32.42	1) <i>In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability (see paragraph 36 of FRS 39).</i>	
FRS 32.44	2) <i>Offsetting does not give rise to recognition of a gain or loss.</i>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 32.49	<p>3) <i>The conditions for offsetting set out in paragraph 42 of FRS 32 (see above) are generally not satisfied and offsetting is therefore inappropriate when:</i></p> <ul style="list-style-type: none"> • <i>several different financial instruments are used to emulate the features of a single financial instrument (a 'synthetic' financial instrument);</i> • <i>financial assets and financial liabilities arise from financial instruments having the same primary risk exposure but involve different counterparties;</i> • <i>financial or other assets are pledged as collateral for non-recourse financial liabilities;</i> • <i>financial assets are set aside in trust by a debtor for the purpose of discharging an obligation without those assets having been accepted by the creditor; and</i> • <i>obligations incurred as a result of events giving rise to losses are expected to be recovered under an insurance policy.</i> 	
FRS 32.50	<p>4) <i>An entity that undertakes a number of financial instrument transactions with a single counterparty may enter into a "master netting arrangement" which provides for a single net settlement of all financial instruments covered by the agreement in the event of default on, or termination of, any one contract. A master netting arrangement does not provide a basis for offsetting unless both of the criteria in paragraph 42 of FRS 32 (see above) are satisfied. When financial assets and financial liabilities subject to a master netting arrangement are not offset, the effect of the arrangement on an entity's exposure to credit risk is disclosed in accordance with paragraph 76 of FRS 32 (see below).</i></p>	
FRS 32.51 to 55	<p>Disclosure</p> <p><i>Notes:</i></p> <p><i>The purpose of FRS 32's disclosure requirements is to provide information to enhance users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows, and assist in assessing the amounts, timing and certainty of future cash flows associated with those instruments.</i></p> <p><i>FRS 32 does not prescribe either the format of the information required to be disclosed or its location within the financial statements. Disclosures may include a combination of narrative descriptions and quantified data, as appropriate to the nature of the instruments and their relative significance to the entity.</i></p> <p><i>Determining the level of detail to be disclosed about particular financial instruments requires the exercise of judgement taking into account the relative significance of those instruments.</i></p> <p><i>The management of an entity groups financial instruments into classes that are appropriate to the nature of the information disclosed, taking into account matters such as the characteristics of the instruments and the measurement basis that has been applied. In general, classes distinguish items measured at cost or amortised cost from items measured at fair value.</i></p>	
FRS 32.52	<p>The detailed disclosures required under FRS 32 (see below) should provide information to assist users of financial statements in assessing the extent of risk related to financial instruments.</p>	
FRS 32.52	<p><i>Notes:</i></p> <p><i>Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the following financial risks – market risk, credit risk, liquidity risk and cash flow interest rate risk.</i></p>	
FRS 32.52(a)	<p><u>Market risk</u> includes the following three types of risk:</p> <ol style="list-style-type: none"> i) <i>currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates;</i> ii) <i>fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates; and</i> iii) <i>price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market.</i> <p><i>Market risk embodies not only the potential for loss but also the potential for gain.</i></p>	
FRS 32.52(b)	<p><u>Credit risk</u> is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.</p>	
FRS 32.52(c)	<p><u>Liquidity risk (also referred to as funding risk)</u> is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.</p>	
FRS 32.52(d)	<p><u>Cash flow interest rate risk</u> is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In the case of a floating rate debt instrument, for example, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<i>Risk management policies and hedging activities</i>	
FRS 32.56	An entity shall describe its financial risk management objectives and policies, including its policy for hedging each main type of forecast transaction for which hedge accounting is used.	
FRS 32.57	<i>Note: In addition to providing specific information about particular balances and transactions related to financial instruments, an entity provides a discussion of the extent to which financial instruments are used, the associated risks and the business purposes served. A discussion of management's policies for controlling the risks associated with financial instruments includes policies on matters such as hedging of risk exposures, avoidance of undue concentrations of risks and requirements for collateral to mitigate a credit risk.</i>	
	An entity shall disclose the following separately for designated fair value hedges, cash flow hedges and hedges of a net investment in a foreign operation (as defined in FRS 39):	
FRS 32.58(a)	a) a description of the hedge;	
FRS 32.58(b)	b) a description of the financial instruments designated as hedging instruments and their fair values at the balance sheet date;	
FRS 32.58(c)	c) the nature of the risks being hedged; and	
FRS 32.58(d)	d) for cash flow hedges, the periods in which the cash flows are expected to occur, when they are expected to enter into the determination of profit or loss, and a description of any forecast transaction for which hedge accounting had previously been used but which is no longer expected to occur.	
	When a gain or loss on a hedging instrument in a cash flow hedge has been recognised directly in equity, through the statement of changes in equity, an entity shall disclose:	
FRS 32.59(a)	a) the amount that was so recognised in equity during the period;	
FRS 32.59(b)	b) the amount that was removed from equity and included in profit or loss for the period; and	
FRS 32.59(c)	c) the amount that was removed from equity during the period and included in the initial measurement of the acquisition cost or other carrying amount of a non-financial asset or non-financial liability in a hedged highly probable forecast transaction.	
	<i>Terms, conditions and accounting policies</i>	
FRS 32.60(a)	For each class of financial asset, financial liability and equity instrument, both recognised and unrecognised, an entity shall disclose information about the extent and nature of the financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows.	
	<i>Notes:</i>	
FRS 32.63	<p>1) <i>When financial instruments held or issued by an entity, either individually or as a class, create a potentially significant exposure to the risks described in paragraph 52 of FRS 32 (see above), terms and conditions that warrant disclosure include:</i></p> <ul style="list-style-type: none"> • <i>the principal, stated, face or other similar amount, which, for some derivative instruments, such as interest rate swaps, might be the amount (referred to as the notional amount) on which future payments are based;</i> • <i>the date of maturity, expiry or execution;</i> • <i>early settlement options held by either party to the instrument, including the period in which, or date at which, the options can be exercised and the exercise price or range of prices;</i> • <i>options held by either party to the instrument to convert the instrument into, or exchange it for, another financial instrument or some other asset or liability, including the period in which, or date at which, the options can be exercised and the conversion or exchange ratio(s);</i> • <i>the amount and timing of scheduled future cash receipts or payments of the principal amount of the instrument, including instalment repayments and any sinking fund or similar requirements;</i> • <i>stated rate or amount of interest, dividend or other periodic return on principal and the timing of payments;</i> • <i>collateral held, in the case of a financial asset, or pledged, in the case of a financial liability;</i> • <i>in the case of an instrument for which cash flows are denominated in a currency other than the entity's functional currency, the currency in which receipts or payments are required;</i> • <i>in the case of an instrument that provides for an exchange, similar information for the instrument to be acquired in the exchange; and</i> 	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 32.65	<ul style="list-style-type: none"> • any condition of the instrument or an associated covenant that, if contravened, would significantly alter any of the other terms (for example, a maximum debt-to-equity ratio in a bond covenant that, if contravened, would make the full principal amount of the bond due and payable immediately). <p>2) The usefulness of information about the extent and nature of financial instruments is enhanced when it highlights any relationships between individual instruments that can significantly affect the amount, timing or certainty of the future cash flows of an entity. For example, it may be important to disclose hedging relationships such as one that might exist when an entity holds an investment in shares for which it has purchased a put option. The extent to which a risk exposure is altered by the relationships among the assets and liabilities may be apparent to financial statement users from information of the type described in paragraph 63 of FRS 32 (see above), but in some circumstances further disclosure is necessary.</p>	
FRS 32.60(b)	For each class of financial asset, financial liability and equity instrument, both recognised and unrecognised, an entity shall disclose all significant accounting policies and methods adopted, including the criteria for recognition and the basis of measurement applied.	
FRS 32.61	As part of the disclosure of an entity's accounting policies, an entity shall disclose, for each category of financial assets, whether regular way purchases and sales of financial assets are accounted for at trade date or at settlement date (see paragraph 38 of FRS 39).	
FRS 32.66	<p>In the case of financial instruments, disclosure of significant accounting policies, in accordance with FRS 1 <i>Presentation of Financial Statements</i>, includes disclosure of:</p> <ol style="list-style-type: none"> a) the criteria applied in determining when to recognise a financial asset or financial liability and when to derecognise it; b) the basis of measurement applied to financial assets and financial liabilities on initial recognition and subsequently; and c) the basis on which income and expenses arising from financial assets and financial liabilities are recognised and measured. 	
FRS 32.64	When the balance sheet presentation of a financial instrument differs from the instrument's legal form, it is desirable for an entity to explain in the notes the nature of the instrument.	
	Interest rate risk	
	For each class of financial assets and financial liabilities, an entity shall disclose information about its exposure to interest rate risk, including:	
FRS 32.67(a)	a) contractual repricing or maturity dates, whichever dates are earlier; and	
FRS 32.67(b)	b) effective interest rates for those instruments that bear a determinable effective interest rate.	
	<i>Notes:</i>	
FRS 32.72	1) The requirement in paragraph 67(b) of FRS 32 (see above) applies to bonds, notes, loans and similar financial instruments involving future payments that create a return to the holder and a cost to the issuer reflecting the time value of money. The requirement does not apply to financial instruments such as investments in equity instruments and derivative instruments that do not bear a determinable effective interest rate. For example, even though instruments such as interest rate derivatives (including swaps, forward rate agreements and options) are exposed to fair value or cash flow risk from changes in market interest rates, disclosure of an effective interest rate is not required. However, when providing effective interest rate information, an entity discloses the effect on its interest rate risk exposure of hedging transactions such as interest rate swaps.	
FRS 32.70	2) To supplement the information about contractual repricing and maturity dates, an entity may elect to disclose information about expected repricing or maturity dates when those dates differ significantly from the contractual dates. The additional information includes disclosure that it is based on management's expectations of future events and an explanation of the assumptions made about repricing or maturity dates and how those assumptions differ from the contractual dates.	
FRS 32.73	3) An entity may become exposed to interest rate risk as a result of a transaction in which no financial asset or financial liability is recognised on its balance sheet. In such circumstances, the entity discloses information that permits users of its financial statements to understand the nature and extent of its exposure. For example, when an entity has a commitment to lend funds at a fixed interest rate, the disclosure normally includes the stated principal, interest rate and term to maturity of the amount to be lent and the significant terms of the transaction giving rise to the exposure to interest rate risk.	
FRS 32.71	<p>An entity indicates which of its financial assets and financial liabilities are:</p> <ol style="list-style-type: none"> a) exposed to fair value interest rate risk, such as financial assets and financial liabilities with a fixed interest rate; 	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 32.74(a)	<p>b) exposed to cash flow interest rate risk, such as financial assets and financial liabilities with a floating interest rate that is reset as market rates change; and</p> <p>c) not directly exposed to interest rate risk, such as some investments in equity instruments.</p> <p>The nature of an entity's business and the extent of its activity in financial instruments will determine whether information about interest rate risk is presented in narrative form, in tables, or by using a combination of the two. When an entity has a significant number of financial instruments exposed to interest rate price or cash flow risks, it may adopt <u>one or more</u> of the following approaches to presenting information:</p> <p>a) the carrying amounts of financial instruments exposed to interest rate price risk presented in tabular form, grouped by those that are contracted to mature or be repriced in the following periods after the balance date:</p> <ul style="list-style-type: none"> i) in one year or less; ii) in more than one year but not more than two years; iii) in more than two years but not more than three years; iv) in more than three years but not more than four years; v) in more than four years but not more than five years; and vi) in more than five years; 	
FRS 32.74(b)	<p>b) when the performance of an entity is significantly affected by the level of its exposure to interest rate price risk or changes in that exposure, more detailed information is desirable. An entity such as a bank may disclose, for example, separate groupings of the carrying amounts of financial instruments contracted to mature or be repriced:</p> <ul style="list-style-type: none"> i) in one month or less of the balance sheet date; ii) in more than one month but not more than three months from the balance sheet date; and iii) in more than three months but not more than twelve months from the balance sheet date; 	
FRS 32.74(c)	<p>c) similarly, an entity may indicate its exposure to interest rate cash flow risk through a table indicating the aggregate carrying amount of groups of floating rate financial assets and financial liabilities maturing within various future time periods; and</p>	
FRS 32.74(d)	<p>d) interest rate information may be disclosed for individual financial instruments or weighted average rates, or a range of rates, may be presented for each class of financial instrument. An entity groups instruments, denominated in different currencies or having substantially different credit risks, into separate classes when these factors result in instruments having substantially different effective interest rates.</p>	
FRS 32.75	<p>In some circumstances, an entity may be able to provide useful information about its exposure to interest rate risks by indicating the effect of a hypothetical change in market interest rates on the fair value of its financial instruments and future profit or loss and cash flows. When disclosing interest rate sensitivity information, an entity indicates the basis on which it has prepared the information, including any significant assumptions.</p> <p>Credit risk</p> <p>For each class of financial asset and other credit exposures, including those not recognised on the balance sheet (such as certain financial guarantees), an entity shall disclose information about its exposure to credit risk, including:</p>	
FRS 32.76(a)	<p>a) the amount that best represents its maximum credit risk exposure at the balance sheet date, without taking account of the fair value of any collateral, in the event other parties fail to perform their obligations under financial instruments; and</p>	
FRS 32.76(b), 85	<p>b) significant concentrations of credit risk, including a description of the shared characteristic that identifies each concentration and the amount of the maximum credit risk exposure associated with all financial assets sharing that characteristic.</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 32.83	<p><i>Notes:</i></p> <p>1) Concentrations of credit risk are disclosed when they are not apparent from other disclosures about the nature of the business and financial position of the entity and result in a significant exposure to loss in the event of default by other parties. Identification of such concentrations requires judgement by management taking into account the circumstances of the entity and its debtors. FRS 14, Segment Reporting, provides guidance in identifying industry and geographical segments within which credit risk concentrations may arise.</p>	
FRS 32.84	<p>2) Concentrations of credit risk may arise from exposures to a single debtor or to groups of debtors having such a similar characteristic that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions. Characteristics that may give rise to a concentration of risk include the nature of the activities undertaken by debtors, such as the industry in which they operate, the geographical area in which activities are undertaken and the level of creditworthiness of groups of borrowers.</p>	
FRS 32.80	<p>Where an entity holds a financial asset subject to a legally enforceable right of set-off against a financial liability that is not presented on the balance sheet net of the liability because settlement is not intended to take place on a net basis or simultaneously, the entity discloses the existence of the legal right of set-off when providing information in accordance with paragraph 76 of FRS 32 (see above).</p>	
FRS 32.81	<p>Where an entity has entered into a master netting arrangement that significantly reduces its exposure to credit risk, but does not meet the criteria for offsetting, an entity provides additional information concerning the effect of the arrangement.</p>	
FRS 32.81	<p><i>Note:</i> Such disclosure indicates that:</p> <ul style="list-style-type: none"> • the credit risk associated with financial assets subject to a master netting arrangement is eliminated only to the extent that financial liabilities due to the same counterparty will be settled after the assets are realised; and • the extent to which an entity's overall exposure to credit risk is reduced through a master netting arrangement may change substantially within a short period following the balance sheet date because the exposure is affected by each transaction subject to the arrangement. <p>It is also desirable for an entity to disclose the terms of its master netting arrangements that determine the extent of the reduction in its credit risk.</p>	
FRS 32.82	<p>An entity may be exposed to credit risk as a result of a transaction in which no financial asset is recognised on its balance sheet, such as for a financial guarantee or credit derivative contract. Guaranteeing an obligation of another party creates a liability and exposes the guarantor to credit risk that is taken into account in making the disclosures required by paragraph 76 of FRS 32 (see above).</p>	
	Fair value	
FRS 32.86	<p>Except as set out in paragraph 90 and 91A of FRS 32 (see below), for each class of financial assets and financial liabilities, an entity shall disclose the fair value of that class of assets and liabilities in a way that permits it to be compared with the corresponding carrying amount in the balance sheet.</p>	
	<i>Notes:</i>	
FRS 32.87	<p>1) FRS 39 provides guidance for determining fair value. When an entity does not measure a financial asset or financial liability in its balance sheet at fair value, it provides fair value information through supplementary disclosures.</p>	
FRS 32.88	<p>2) For financial instruments such as short-term trade receivables and payables, no disclosure of fair value is required when the carrying amount is a reasonable approximation of fair value.</p>	
FRS 32.89	<p>3) In disclosing fair values, an entity groups financial assets and financial liabilities into classes and offsets them only to the extent that their related carrying amounts are offset in the balance sheet.</p>	
FRS 32.90	<p>If investments in unquoted equity instruments or derivatives linked to such equity instruments are measured at cost under FRS 39, because their fair value cannot be measured reliably, the following shall be disclosed:</p> <ol style="list-style-type: none"> a) the fact that fair value cannot be measured reliably; b) a description of the instruments; c) the carrying amount of the instruments; d) an explanation of why fair value cannot be measured reliably; and e) if possible, the range of estimates within which fair value is highly likely to lie. 	
FRS 32.90	<p>If financial assets whose fair value previously could not be reliably measured have been sold during the period, an entity shall disclose:</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 32.91	<p>a) the fact that the sale has occurred;</p> <p>b) the carrying amount of the financial assets at the time of sale; and</p> <p>c) the amount of gain or loss recognised.</p> <p><i>Note: If investments in unquoted equity instruments or derivatives linked to such equity instruments are measured at cost under FRS 39 because their fair values cannot be measured reliably, the information about fair value set out in paragraphs 86 and 92 of FRS 32 is not required to be disclosed. Instead, information is provided to assist users of the financial statements in making their own judgements about the extent of possible differences between the carrying amount of such financial assets and financial liabilities and their fair value. In addition to an explanation of the principal characteristics of the financial instruments that are pertinent to their value and the reason for not disclosing fair values, information is provided about the market for the instruments. In some cases, the terms and conditions of the instruments disclosed in accordance with paragraph 60 of FRS 32 (see above) may provide sufficient information. When it has a reasonable basis for doing so, management may indicate its opinion on the relationship between fair value and the carrying amount of financial assets and financial liabilities for which it is unable to determine fair value reliably.</i></p>	
FRS 32.91A	<p>Some financial assets and financial liabilities contain a discretionary participation feature as described in FRS 104 <i>Insurance Contracts</i>. If an entity cannot measure reliably the fair value of that feature, the entity shall disclose:</p> <p>a) the fact that fair value cannot be measured reliably;</p> <p>b) a description of the contract;</p> <p>c) its carrying amount;</p> <p>d) an explanation of why fair value cannot be measured reliably; and</p> <p>e) if possible, the range of estimates within which fair value is highly likely to lie.</p> <p>An entity shall disclose:</p>	
FRS 32.92(a)	a) the methods and significant assumptions applied in determining fair values of financial assets and financial liabilities separately for significant classes of financial assets and financial liabilities;	
FRS 32.92(b)	b) whether fair values of financial assets and financial liabilities are determined directly, in full or in part, by reference to published price quotations in an active market or are estimated using a valuation technique (see FRS 39, paragraphs AG 71 to AG 79):	
FRS 32.92(c)	c) whether the financial statements include financial instruments measured at fair values that are determined in full or in part using a valuation technique based on assumptions that are not supported by observable market prices or rates;	
FRS 32.92(c)	d) if changing any of the assumptions referred to in (c) above to a reasonably possible alternative would result in a significantly different fair value, the entity shall state this fact and disclose the effect on the fair value of a range of reasonably possible alternative assumptions; and	
	<p><i>Note: For this purpose, significance shall be judged with respect to profit or loss and total assets or total liabilities.</i></p>	
FRS 32.92(d)	e) the total amount of the change in fair value estimated using a valuation technique that was recognised in profit or loss during the period.	
FRS 32.93	<p>Disclosure of fair value information includes disclosure of the method used in determining fair value and the significant assumptions made in its application. For example, an entity discloses information about the assumptions relating to prepayment rates, rates of estimated credit losses and interest or discount rates if they are significant.</p> <p>Other disclosures</p> <p><u>Derecognition</u></p>	
FRS 32.94(a)	<p>An entity may have either transferred a financial asset (see paragraph 18 of FRS 39), or entered into a so-called pass-through arrangement as described in paragraph 19 of FRS 39, in such a way that the arrangement does not qualify as a transfer of a financial asset under the derecognition rules in FRS 39. If the entity either continues to recognise all of the asset or continues to recognise the asset to the extent of the entity's continuing involvement (see paragraphs 29 and 30 of FRS 39), it shall disclose the following for each class of financial asset:</p> <p>a) the nature of the asset;</p> <p>b) the nature of the risks and rewards of ownership to which the entity remains exposed;</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 32.94(b)	<p>c) when the entity continues to recognise all of the asset, the carrying amounts of the asset and of the associated liability; and</p> <p>d) when the entity continues to recognise the asset to the extent of its continuing involvement, the total amount of the asset, the amount of the asset that the entity continues to recognise and the carrying amount of the associated liability.</p> <p><u>Collateral</u></p> <p>An entity shall disclose:</p> <p>a) the carrying amount of financial assets pledged by it as collateral for liabilities;</p> <p>b) the carrying amount of financial assets pledged by it as collateral for contingent liabilities; and</p> <p>c) (consistently with paragraphs 60(a) and 63(g) of FRS 32) any material terms and conditions relating to assets pledged as collateral.</p>	
FRS 32.94(c)	<p>When an entity has accepted collateral that it is permitted to sell or repledge in the absence of default by the owner of the collateral, it shall disclose:</p> <p>a) the fair value of the collateral accepted (financial and non-financial assets);</p> <p>b) the fair value of any such collateral sold or repledged and whether the entity has an obligation to return it; and</p> <p>c) any material terms and conditions associated with its use of this collateral (consistently with paragraphs 60(a) and 63(g) of FRS 32).</p> <p><u>Compound financial instruments with multiple embedded derivatives</u></p>	
FRS 32.94(d)	<p>If an entity has issued an instrument that contains both a liability and an equity component (see paragraph 28 of FRS 32) and the instrument has multiple embedded derivative features whose values are interdependent (such as a callable convertible debt instrument), it shall disclose the existence of those features and the effective interest rate on the liability component (excluding any embedded derivatives that are accounted for separately).</p> <p><u>Financial assets and financial liabilities at fair value through profit or loss</u></p>	
FRS 32.94(e)	<p>An entity shall disclose the carrying amounts of financial assets and financial liabilities that:</p> <p>a) are classified as held for trading; and</p> <p>b) were, upon initial recognition, designated by the entity as financial assets and financial liabilities at fair value through profit or loss (i.e. those that are not financial instruments classified as held for trading).</p>	
FRS 32.94(f) AG 40	<p>If the entity has designated a financial liability as at fair value through profit or loss, it shall disclose:</p> <p>a) the amount of change in its fair value that is not attributable to changes in a benchmark interest rate (e.g. LIBOR); and</p> <p>b) the difference between its carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation.</p> <p><u>Reclassification</u></p>	
FRS 32.94(g)	<p>If the entity has reclassified a financial asset as one measured at cost or amortised cost rather than at fair value (see paragraph 54 of FRS 39), it shall disclose the reason for that reclassification.</p> <p><u>Income statement and equity</u></p>	
FRS 32.94(h)	<p>An entity shall disclose material items of income, expense and gains and losses resulting from financial assets and financial liabilities, whether included in profit or loss or as a separate component of equity.</p>	
FRS 32.94(h)	<p>The disclosure shall include at least the following items:</p> <p>a) total interest income and total interest expense (calculated using the effective interest method) for financial assets and financial liabilities that are not at fair value through profit or loss;</p> <p>b) for available-for-sale financial assets, the amount of any gain or loss recognised directly in equity during the period and the amount that was removed from equity and recognised in profit or loss for the period; and</p> <p>c) the amount of interest income accrued on impaired financial assets, in accordance with paragraph AG 93 of FRS 39.</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 32.94(i)	<p><u>Impairment</u></p> <p>An entity shall disclose the nature and amount of any impairment loss recognised in profit or loss for a financial asset, separately for each significant class of financial asset.</p> <p><i>Note: Paragraph 55 of FRS 32 provides guidance for determining classes of financial assets.</i></p>	
FRS 32.94(j)	<p><u>Defaults and breaches</u></p> <p>With respect to any defaults of principal, interest, sinking fund or redemption provisions during the period on loans payable recognised as at the balance sheet date, and any other breaches during the period of loan agreements when those breaches can permit the lender to demand repayment (except for breaches that are remedied, or in response to which the terms of the loan are renegotiated, on or before the balance sheet date), an entity shall disclose:</p> <p>a) details of those breaches;</p> <p>b) the amount recognised as at the balance sheet date in respect of the loans payable on which the breaches occurred; and</p> <p>c) with respect to amounts disclosed under (b), whether the default has been remedied or the terms of the loans payable renegotiated before the date the financial statements were authorised for issue.</p> <p><i>Note: For the purpose of disclosing information on breaches of loan agreements in accordance with paragraph 94(j) of FRS 32, loans payable include issued debt instruments and financial liabilities other than short-term trade payables on normal credit terms. When such a breach occurred during the period, and the breach has not been remedied or the terms of the loan payable have not been renegotiated by the balance sheet date, the effect of the breach on the classification of the liability as current or non-current is determined under FRS 1, Presentation of Financial Statements (see relevant section of this checklist).</i></p>	
FRS 32.96	<p>Adoption of Standard before effective date</p> <p>If an entity has applied FRS 32 (as revised in 2004) for annual periods beginning before January 1, 2005, it shall disclose that fact.</p> <p><i>Note: An entity is not permitted to apply FRS 32 (as revised in 2004) for annual periods beginning before January 1, 2005 unless it also applies the revised FRS 39, including the applicable amendments.</i></p>	

FRS 33

Earnings per Share

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 33, which prescribes principles for the determination and presentation of earnings per share (EPS).</i></p> <p><i>FRS 33 shall be applied by entities whose ordinary shares or potential ordinary shares are publicly traded and by entities that are in the process of issuing ordinary shares or potential ordinary shares in public markets. An entity that discloses EPS shall calculate and disclose EPS in accordance with the Standard.</i></p> <p><i>When an entity presents both consolidated financial statements and separate financial statements prepared in accordance with FRS 27, Consolidated and Separate Financial Statements, the disclosures required by FRS 33 need be presented only on the basis of the consolidated information. An entity that chooses to disclose EPS based on its separate financial statements shall present such EPS information only on the face of its separate income statement. An entity shall not present such EPS information in the consolidated financial statements.</i></p> <p><i>The Illustrative Examples accompanying FRS 33 include a comprehensive example of the income statement presentation of EPS.</i></p>	
FRS 33.3	An entity that discloses earnings per share shall calculate and disclose earnings per share in accordance with FRS 33.	
	Retrospective adjustments	
FRS 33.64	If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation or bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively.	
FRS 33.64	If these changes occur after the balance sheet date but before the financial statements are authorised for issue, the per share calculations for those and any prior period financial statements shall be based on the new number of shares.	
FRS 33.64	The fact that per share calculations reflect such changes in the number of shares shall be disclosed.	
FRS 33.64	Basic and diluted earnings per share for all periods presented shall be adjusted for the effects of errors and adjustments resulting from changes in accounting policies accounted for retrospectively.	
	Presentation	
FRS 33.66	An entity shall present earnings per share information (see detailed requirements below) separately for each class of ordinary shares that has a different right to share in profit for the period.	
FRS 33.66	<p>An entity shall present on the face of the income statement:</p> <ol style="list-style-type: none"> basic and diluted earnings per share for profit or loss from continuing operations attributable to the ordinary equity holders of the parent entity; and basic and diluted earnings per share for profit or loss for the period attributable to the ordinary equity holders of the parent entity. 	
FRS 33.67	<p><i>Note: Earnings per share is presented for every period for which an income statement is presented. If diluted earnings per share is reported for at least one period, it shall be reported for all periods presented, even if it equals basic earnings per share. If basic and diluted earnings per share are equal, dual presentation can be accomplished in one line on the income statement.</i></p>	
FRS 33.66	An entity shall present basic and diluted earnings per share with equal prominence for all periods presented.	
FRS 33.68	An entity that reports a discontinued operation shall disclose the basic and diluted amounts per share for the discontinued operation either on the face of the income statement or in the notes to the financial statements.	
FRS 33.69	An entity shall present basic and diluted earnings per share, even if the amounts disclosed are negative (i.e. a loss per share).	
	Disclosure	
	An entity shall disclose the following:	
FRS 33.70(a)	a) the amounts used as the numerators in calculating basic and diluted earnings per share, and a reconciliation of those amounts to profit or loss attributable to the parent entity for the period;	
FRS 33.70(a)	<p><i>Note: The reconciliation shall include the individual effect of each class of instruments that affects earnings per share.</i></p>	
FRS 33.70(b)	b) the weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share, and a reconciliation of these denominators to each other;	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 33.70(b)	<p><i>Note: The reconciliation shall include the individual effect of each class of instruments that affects earnings per share.</i></p>	
FRS 33.70(c)	<p>c) instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the period(s) presented; and</p>	
FRS 33.70(d)	<p>d) a description of ordinary share transactions or potential ordinary share transactions, other than those accounted for in accordance with paragraph 64 of FRS 33 (see above), that occur after the balance sheet date and that would have changed significantly the number of ordinary shares or potential ordinary shares outstanding at the end of the period if those transactions had occurred before the end of the reporting period.</p>	
FRS 33.71	<p><i>Note: Examples of such transactions include:</i></p> <ul style="list-style-type: none"> • <i>the issue of shares for cash;</i> • <i>the issue of shares when the proceeds are used to repay debt or preference shares outstanding at the balance sheet date;</i> • <i>the redemption of ordinary shares outstanding;</i> • <i>the conversion or exercise of potential ordinary shares, outstanding at the balance sheet date, into ordinary shares;</i> • <i>the issue of warrants, options or convertible securities; and</i> • <i>the achievement of conditions that would result in the issue of contingently issuable shares.</i> 	
FRS 33.72	<p>Entities are <u>encouraged</u> (but not required) to disclose the terms and conditions of financial instruments and other contracts generating potential ordinary shares, which affect the measurement of basic and diluted earnings per share.</p>	
FRS 33.72	<p><i>Note: These terms and conditions may determine whether or not any potential ordinary shares are dilutive and, if so, the effect on the weighted average number of shares outstanding and any consequent adjustments to the net profit attributable to ordinary shareholders. Whether or not the disclosure of the terms and conditions is required by FRS 32, Financial Instruments: Disclosure and Presentation, such disclosure is encouraged by FRS 33.</i></p>	
FRS 33.73	<p>If an entity discloses, in addition to basic and diluted earnings per share, amounts per share using a reported component of the income statement other than one required by FRS 33:</p> <ol style="list-style-type: none"> a) such amounts shall be calculated using the weighted average number of ordinary shares determined in accordance with FRS 33; b) basic and diluted per share amounts shall be disclosed with equal prominence c) the amounts shall be presented in the notes to the financial statements; d) an entity shall indicate the basis on which the numerator(s) is (are) determined, including whether amounts per share are before or after tax; and e) if a component of the income statement is used that is not reported as a line item in the income statement, a reconciliation shall be provided between the component used and a line item that is reported in the income statement. <p>Adoption of Standard before effective date</p>	
FRS 33.74	<p>If an entity has applied FRS 33 for annual periods beginning before January 1, 2005, it shall disclose that fact.</p>	

FRS 34 Interim Financial Reporting

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 34 which prescribes the accounting treatment for interim financial reporting. The principal issues are: the minimum content required for an interim financial report and the recognition and measurement principles for complete or condensed interim financial reports.</i></p> <p><i>FRS 101, First-time Adoption of International Financial Reporting Standards, includes additional disclosure requirements for interim periods covered by the entity's first FRS financial statements. See relevant section of this checklist for details.</i></p>	
	<p>Minimum components of an interim financial report</p>	
FRS 34.6	<p><i>Note: FRS 34 defines the minimum content of an interim financial report as including condensed financial statements and selected explanatory notes. The interim financial report is intended to provide an update on the latest complete set of annual financial statements. Accordingly, it focuses on new activities, events, and circumstances and does not duplicate information previously reported.</i></p>	
	<p>An interim financial report shall include, at a minimum, the following components:</p>	
FRS 34.8(a)	a) condensed balance sheet;	
FRS 34.8(b)	b) condensed income statement;	
FRS 34.8(c)	c) condensed statement showing either: <ul style="list-style-type: none"> i) all changes in equity; or ii) changes in equity other than those arising from capital transactions with owners and distributions to owners. 	
FRS 34.8(d)	d) condensed cash flow statement; and	
FRS 34.8(e)	e) selected explanatory notes.	
	<p>Form and content of interim financial statements</p>	
FRS 34.9	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 FRS 1 <i>Presentation of Financial Statements</i> for a complete set of financial statements.	
FRS 34.10	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 the entity's most recent annual financial statements and the selected explanatory notes as required by FRS 34.	
FRS 34.10	Additional line items or notes shall be included if their omission would make the condensed interim financial statements misleading.	
FRS 34.7	<p><i>Note: Where the entity has opted to publish a complete set of financial statements for the interim period, the recognition and measurement guidance in FRS 34 applies to those financial statements, and such statements should include all of the disclosures required by FRS 34 (particularly the selected note disclosures in paragraph 16 of FRS 34) as well as those required by other Standards.</i></p>	
FRS 34.11	Basic and diluted earnings per share shall be presented on the face of the income statement, complete or condensed, for the interim period.	
FRS 34.13	An entity follows the same format in its interim statement of changes in equity as it did in the entity's most recent annual financial statements.	
FRS 34.13	<p><i>Note: FRS 1 requires a statement of changes in equity to be presented as a separate component of an entity's financial statements, and permits information about changes in equity arising from transactions with equity holders acting in their capacity as equity holder (including distributions to equity holders) to be shown either on the face of that statement or in the notes.</i></p>	
FRS 34.14	An interim report is prepared on a consolidated basis if the entity's most recent annual financial statements were consolidated statements.	
FRS 34.14	<p><i>Note: The parent's separate financial statements are not consistent or comparable with the consolidated statements in the most recent annual financial report. If an entity's annual financial report included the parent's separate financial statements in addition to consolidated financial statements, FRS 34 neither requires nor prohibits the inclusion of the parent's separate statements in the entity's interim financial report.</i></p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
	Selected explanatory notes	
FRS 34.15	<i>Note: A user of an entity's interim financial report will also have access to the most recent annual financial report of that entity. It is unnecessary, therefore, for the notes to an interim financial report to provide relatively insignificant updates to the information that was already reported in the notes in the most recent annual report. At an interim date, 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 last annual reporting date is more useful.</i>	
	An entity shall include the following information, as a minimum, in the notes to its interim financial statements, if material and if not disclosed elsewhere in the interim financial report:	
FRS 34.16(a)	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;	
FRS 34.16(b)	b) explanatory comments about the seasonality or cyclicity of interim operations;	
FRS 34.16(c)	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;	
FRS 34.16(d)	d) the nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect in the current interim period;	
FRS 34.16(e)	e) issuances, repurchases, and repayments of debt and equity securities;	
FRS 34.16(f)	f) dividends paid (aggregate or per share) separately for ordinary shares and other shares;	
FRS 34.16(g)	g) segment revenue and segment result for business segments or geographical segments, whichever is the entity's primary basis of segment reporting;	
FRS 34.16(g)	<i>Note: Disclosure of segment data is required in an entity's interim financial report only if FRS 14, Segment Reporting, requires that entity to disclose segment data in its annual financial statements.</i>	
FRS 34.16(h)	h) material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period;	
FRS 34.16(i)	i) the effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations; and	
FRS 34.16(i)	<i>Note: In the case of business combinations, the entity shall disclose the information required to be disclosed under paragraphs 66 to 73 of FRS 103, Business Combinations.</i>	
FRS 34.16(j)	j) changes in contingent liabilities or contingent assets since the last annual balance sheet date.	
FRS 34.16	The explanatory notes outlined above (paragraph 16 of FRS 34) shall normally be reported on a financial year-to-date basis.	
FRS 34.16	Notwithstanding that the explanatory notes outlined above (paragraph 16 of FRS 34) are normally reported on a financial year-to-date basis, the entity shall also disclose any events or transactions that are material to an understanding of the <u>current</u> interim period.	
	<i>Notes:</i>	
FRS 34.17	1) <i>Examples of the kinds of disclosures that are required by paragraph 16 of FRS 34 are set out below. Individual Standards and Interpretations provide guidance regarding disclosures for many of these items:</i> <ul style="list-style-type: none"> • <i>the write-down of inventories to net realisable value and the reversal of such a write-down;</i> • <i>recognition of a loss from the impairment of property, plant, and equipment, intangible assets, or other assets, and the reversal of such an impairment loss;</i> • <i>the reversal of any provisions for the costs of restructuring;</i> • <i>acquisitions and disposals of items of property, plant, and equipment;</i> • <i>commitments for the purchase of property, plant, and equipment;</i> • <i>litigation settlements;</i> • <i>corrections of prior period errors;</i> 	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 34.18	<ul style="list-style-type: none"> • any loan default or breach of a loan agreement that has not been remedied on or before the balance sheet date; and • related party transactions. <p>2) Other Standards specify disclosures that should be made in financial statements. In that context, financial statements means complete sets of financial statements of the type normally included in an annual financial report and sometimes included in other reports. Except as required by paragraph 16(i) (business combinations - see above), the disclosures required by those other Standards are not required if an entity's interim financial report includes only condensed financial statements and selected explanatory notes rather than a complete set of financial statements.</p>	
	<p>Disclosure of compliance with FRSs</p>	
FRS 34.19	If an entity's interim financial report is in compliance with FRS 34, that fact shall be disclosed.	
FRS 34.19	<p><i>Note:</i> An interim financial report shall not be described as complying with FRSs unless it complies with all of the requirements of each applicable Standard and each applicable Interpretation.</p>	
	<p>Periods for which interim financial statements are required to be presented</p>	
	Interim reports shall include interim financial statements (condensed or complete) for periods as follows:	
FRS 34.20(a)	a) balance sheet as of the end of the current interim period and a comparative balance sheet as of the end of the immediately preceding financial year;	
FRS 34.20(b)	b) income statements for the current interim period and cumulatively for the current financial year to date, with comparative income statements for the comparable interim periods (current and year-to-date) of the immediately preceding financial year;	
FRS 34.20(c)	c) statement showing 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; and	
FRS 34.20(d)	d) cash flow statement 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.	
FRS 34.22	<p><i>Note:</i> Appendix A to FRS 34 illustrates the periods required to be presented by an entity that reports half-yearly and an entity that reports quarterly.</p>	
FRS 34.21	Entities whose business is highly seasonal are <u>encouraged</u> (but not required) to report financial information for the twelve months ending on the interim reporting date, and comparative information for the prior twelve-month period.	
FRS 34.21	<p><i>Note:</i> If such information is reported, on the basis that it may be useful to users of the interim financial report, it is in addition to the information required in paragraph 20 of FRS 34 (see above).</p>	
	<p>Materiality</p>	
FRS 34.23	In deciding how to recognise, measure, classify, or disclose an item for interim financial reporting purposes, materiality shall be assessed in relation to the interim period financial data.	
FRS 34.23	<p><i>Notes:</i></p>	
FRS 34.23	1) In making assessments of materiality, it should be recognised that interim measurements may rely on estimates to a greater extent than measurements of annual financial data.	
FRS 34.24	2) FRS 1, Presentation of Financial Statements, and FRS 8, Accounting Policies, Changes in Accounting Estimates and Errors, define an item as material if its omission or misstatement could influence the economic decisions of users of the financial statements. FRS 1 requires separate disclosure of material items, including (for example) discontinued operations, and FRS 8 requires disclosure of changes in accounting estimates, errors and changes in accounting policies. The two Standards do not contain quantified guidance as to materiality.	
FRS 34.25	3) While judgement is always required in assessing materiality, FRS 34 bases the recognition and disclosure decision on data for the interim period by itself for reasons of understandability of the interim figures. Thus, for example, unusual items, changes in accounting policies or estimates, and errors are recognised and disclosed on the basis of materiality in relation to interim period data to avoid misleading inferences that might result from non-disclosure. The overriding goal is to ensure that an interim financial report includes all information that is relevant to understanding an entity's financial position and performance during the interim period.	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p>Disclosure in annual financial statements</p>	
FRS 34.26	<p>If an estimate of an amount reported in an interim period changed significantly during the final interim period of the financial year, but a separate financial report is not published for that final interim period, the nature and amount of that change in estimate shall be disclosed in a note to the annual financial statements for that financial year.</p>	
FRS 34.27	<p><i>Note: FRS 8, Accounting Policies, Changes in Accounting Estimates and Errors, requires disclosure of the nature and (if practicable) the amount of a change in estimate that either has a material effect in the current period or is expected to have a material effect in subsequent periods. Paragraph 16(d) of FRS 34 requires similar disclosure in an interim financial report. Examples include changes in estimate in the final interim period relating to inventory write-downs, restructurings, or impairment losses that were reported in an earlier interim period of the financial year. The disclosure required by paragraph 26 of FRS 34 is consistent with the FRS 8 requirement and is intended to be narrow in scope — relating only to the change in estimate. An entity is not required to include additional interim period financial information in its annual financial statements.</i></p>	
	<p>Restatement of previously reported interim periods</p>	
FRS 34.43	<p>A change in accounting policy (other than one for which the transition is specified by a new Standard or Interpretation) shall be reflected by:</p> <ol style="list-style-type: none"> restating the financial statements of prior interim periods of the current financial year and the comparable interim periods of any prior financial years that will be restated in the annual financial statements in accordance with FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>; or when it is impracticable to determine the cumulative effect at the beginning of the financial year of applying a new accounting policy to all prior periods, adjusting the financial statements of prior interim periods of the current financial year and comparable interim periods of prior financial years to apply the new accounting policy prospectively from the earliest date practicable. 	
FRS 34.44	<p><i>Note: One objective of the preceding principle is to ensure that a single accounting policy is applied to a particular class of transactions throughout an entire financial year. Under FRS 8, a change in accounting policy is reflected by retrospective application, with restatement of prior period financial data as far back as is practicable. However, if the cumulative amount of the adjustment relating to prior financial years is impracticable to determine, then under FRS 8 the new policy is applied prospectively from the earliest date practicable. The effect of the principle in paragraph 43 of FRS 34 (see above) is to require that within the current financial year any change in accounting policy is applied either retrospectively or, if that is not practicable, prospectively, from no later than the beginning of the financial year.</i></p>	

FRS 36

Impairment of Assets

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 36. The purpose of this Standard is to ensure that assets are not carried at an amount that is greater than their recoverable amount. If an asset is carried at more than its recoverable amount, the asset is described as impaired and FRS 36 requires the entity to recognise an impairment loss.</i></p> <p><i>The principal issues are: how to determine whether impairment exists, how to recognise an impairment loss and when an entity should reverse an impairment loss.</i></p> <p>General disclosures</p> <p>An entity shall disclose, for each class of assets:</p>	
FRS 36.126(a)	a) the amount of impairment losses recognised in profit or loss during the period and the line item(s) of the income statement in which those impairment losses are included;	
FRS 36.126(b)	b) the amount of reversals of impairment losses recognised in profit or loss during the period and the line item(s) of the income statement in which those impairment losses are reversed;	
FRS 36.126(c)	c) the amount of impairment losses on revalued assets recognised directly in equity during the period; and	
FRS 36.126(d)	d) the amount of reversals of impairment losses on revalued assets recognised directly in equity during the period.	
	<p>Notes:</p>	
FRS 36.127	1) A class of asset is a grouping of assets of similar nature and use in an entity's operations	
FRS 36.128	2) The information required by paragraph 126 of FRS 36 may be presented with other information disclosed for the class of assets. For example, this information may be included in a reconciliation of the carrying amount of property, plant and equipment, at the beginning and end of the period, as required under FRS 16, Property, Plant and Equipment.	
	<p>Entities reporting segment information</p> <p>An entity that reports segment information in accordance with FRS 14 <i>Segment Reporting</i> shall disclose the following for each reportable segment based on its primary format (as defined in FRS 14):</p>	
FRS 36.129(a)	a) the amount of impairment losses recognised in profit or loss and directly in equity during the period; and	
FRS 36.129(b)	b) the amount of reversals of impairment losses recognised in profit or loss and directly in equity during the period.	
	<p>Impairment losses or reversals that are individually material</p> <p>An entity shall disclose the following for each material impairment loss recognised or reversed during the period for an individual asset, including goodwill, or a cash-generating unit:</p>	
FRS 36.130(a)	a) the events and circumstances that led to the recognition or reversal of the impairment loss;	
FRS 36.130(b)	b) the amount of the impairment loss recognised or reversed;	
FRS 36.130(c)	c) for an individual asset: <ul style="list-style-type: none"> i) the nature of the asset; and ii) if the entity applies FRS 14, the reportable segment to which the asset belongs, based on the entity's primary format; 	
FRS 36.130(d)	d) for a cash-generating unit: <ul style="list-style-type: none"> i) a description of the cash-generating unit (such as whether it is a product line, a plant, a business operation, a geographical area, a reportable segment as defined in FRS 14 or other); ii) the amount of the impairment loss recognised or reversed by class of assets and, if the entity applies FRS 14, by reportable segment based on the entity's primary format; and iii) if the aggregation of assets for identifying the cash-generating unit has changed since the previous estimate of the cash-generating unit's recoverable amount (if any), a description of the current and former ways of aggregating assets and the reasons for changing the way the cash-generating unit is identified; 	
FRS 36.130(e)	e) whether the recoverable amount of the asset (cash-generating unit) is its fair value less cost to sell or its value in use;	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 36.130(f)	f) if recoverable amount is fair value less cost to sell, the basis used to determine fair value less cost to sell (such as whether fair value was determined by reference to an active market or in some other way); and	
FRS 36.130(g)	g) if recoverable amount is value in use, the discount rate(s) used in the current estimate and previous estimate (if any) of value in use.	
	<p>Impairment losses or reversals that are not individually material</p> <p>An entity shall disclose the following information for the aggregate impairment losses and the aggregate reversals of impairment losses recognised during the period for which no information is disclosed in accordance with paragraph 130 of FRS 36 (see above):</p>	
FRS 36.131(a)	a) the main classes of assets affected by impairment losses and the main classes of assets affected by reversals of impairment losses; and	
FRS 36.131(b)	b) the main events and circumstances that led to the recognition of these impairment losses and reversals of impairment losses.	
FRS 36.132	An entity is <u>encouraged</u> to disclose key assumptions used to determine the recoverable amount of assets (cash-generating units) during the period.	
FRS 36.132	<p><i>Note: This disclosure is encouraged for (cash-generating units containing) assets other than goodwill and intangible assets with indefinite useful lives. Paragraph 134 of FRS 36 (see below) requires an entity to disclose information about the estimates used to measure the recoverable amount of a cash-generating unit when goodwill or an intangible asset with an indefinite useful life is included in the carrying amount of that unit.</i></p>	
FRS 36.133	<p>If, in accordance with paragraph 84 of FRS 36, any portion of the goodwill acquired in a business combination during the period has not been allocated to a cash-generating unit (group of units) at the reporting date, the amount of the unallocated goodwill shall be disclosed, together with the reasons why that amount remains unallocated.</p> <p>Estimates used to measure recoverable amounts of cash-generating units containing goodwill or intangible assets with indefinite useful lives</p> <p>An entity shall disclose the information required by (a)-(f) below for each cash-generating unit (group of units) for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit (group of units) is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives:</p>	
FRS 36.134(a)	a) the carrying amount of goodwill allocated to the unit (group of units);	
FRS 36.134(b)	b) the carrying amount of intangible assets with indefinite useful lives allocated to the unit (group of units);	
FRS 36.134(c)	c) the basis on which the unit's (group of units') recoverable amount has been determined (i.e. value in use or fair value less costs to sell);	
FRS 36.134(d)	<p>d) if the unit's (group of units') recoverable amount is based on value in use:</p> <p>i) a description of each key assumption on which management has based its cash flow projections for the period covered by the most recent budgets/forecasts;</p> <p><i>Note: Key assumptions are those to which the unit's (group of units') recoverable amount is most sensitive.</i></p>	
	ii) a description of management's approach to determining the value(s) assigned to each key assumption, whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information;	
	iii) the period over which management has projected cash flows based on financial budgets/forecasts approved by management and, when a period greater than five years is used for a cash-generating unit (group of units), an explanation of why that longer period is justified;	
	iv) the growth rate used to extrapolate cash flow projections beyond the period covered by the most recent budgets/forecasts, and the justification for using any growth rate that exceeds the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market to which the unit (group of units) is dedicated; and	
	v) the discount rate(s) applied to the cash flow projections;	
FRS 36.134(e)	e) if the unit's (group of units') recoverable amount is based on fair value less costs to sell, the methodology used to determine fair value less costs to sell;	
FRS 36.134(e)	f) if fair value less costs to sell is not determined using an observable market price for the unit (group of units), the following information shall also be disclosed:	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 36.134(e)	<p>i) a description of each key assumption on which management has based its determination of fair value less costs to sell; and</p> <p><i>Note: Key assumptions are those to which the unit's (group of units') recoverable amount is most sensitive.</i></p>	
FRS 36.134(f)	<p>ii) a description of management's approach to determining the value(s) assigned to each key assumption, whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information; and</p>	
FRS 36.135	<p>g) if a reasonably possible change in a key assumption on which management has based its determination of the unit's (group of units') recoverable amount would cause the unit's (group of units') carrying amount to exceed its recoverable amount:</p> <p>i) the amount by which the unit's (group of units') recoverable amount exceeds its carrying amount;</p> <p>ii) the value assigned to the key assumption; and</p> <p>iii) the amount by which the value assigned to the key assumption must change, after incorporating any consequential effects of that change on the other variables used to measure recoverable amount, in order for the unit's (group of units') recoverable amount to be equal to its carrying amount.</p>	
FRS 36.135	<p>If some or all of the carrying amount of goodwill or intangible assets with indefinite useful lives is allocated across multiple cash-generating units (groups of units), and the amount so allocated to each unit (group of units) is not significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives, that fact shall be disclosed, together with the aggregate carrying amount of goodwill or intangible assets with indefinite useful lives allocated to those units (groups of units).</p> <p>In addition to the requirement above (paragraph 135 of FRS 36), if the recoverable amounts of any of the cash-generating units (groups of units) are based on the same key assumption(s) and the aggregate carrying amount of goodwill or intangible assets with indefinite useful lives allocated to them is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives, an entity shall disclose:</p>	
FRS 36.135	a) that fact;	
FRS 36.135(a)	b) the aggregate carrying amount of goodwill allocated to those units (groups of units);	
FRS 36.135(b)	c) the aggregate carrying amount of intangible assets with indefinite useful lives allocated to those units (groups of units);	
FRS 36.135(c)	d) a description of the key assumption(s);	
FRS 36.135(d)	e) a description of management's approach to determining the value(s) assigned to the key assumption(s), whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information; and	
FRS 36.135(e)	<p>f) if a reasonably possible change in the key assumption(s) would cause the aggregate of the units' (groups of units') carrying amounts to exceed the aggregate of their recoverable amounts:</p> <p>i) the amount by which the aggregate of the units' (groups of units') recoverable amounts exceeds the aggregate of their carrying amounts;</p> <p>ii) the value(s) assigned to the key assumption(s); and</p> <p>iii) the amount by which the value(s) assigned to the key assumption(s) must change, after incorporating any consequential effects of the change on the other variables used to measure recoverable amount, in order for the aggregate of the units' (groups of units') recoverable amounts to be equal to the aggregate of their carrying amounts.</p>	
FRS 36.136	<p><i>Notes:</i></p> <p>1) <i>The most recent detailed calculation made in a preceding period of the recoverable amount of a cash-generating unit (group of units) may, in accordance with paragraph 24 or paragraph 99 of FRS 36, be carried forward and used in the impairment test for that unit (group of units) in the current period provided specified criteria are met. When this is the case, the information for that unit (group of units) that is incorporated into the disclosures required by paragraphs 134 and 135 of FRS 36 relate to the carried forward calculation of recoverable amount.</i></p>	
FRS 36.137	<p>2) <i>Illustrative Example 9 accompanying the Standard illustrates the disclosures required by paragraphs 134 and 135 of FRS 36.</i></p>	

FRS 37 Provisions, Contingent Liabilities and Contingent Assets

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 37, which prescribes the accounting for provisions (including provisions for restructuring and onerous contracts), contingent liabilities and contingent assets.</i></p>	
	<p>Provisions and other liabilities</p>	
FRS 37.11	Accruals are often reported as part of trade and other payables, whereas provisions are reported separately.	
FRS 37.16(b)	Regarding whether or not a present obligation exists, where it is more likely that no present obligation exists at the balance sheet date, the entity discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote (see paragraph 86 of FRS 37).	
FRS 37.23	Where it is not probable that a present obligation exists, an entity discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote (see paragraph 86 of FRS 37).	
	<p>No reliable estimate of an obligation can be made</p>	
FRS 37.26	In the extremely rare case where no reliable estimate of an obligation can be made, and therefore a liability exists that cannot be recognised, that liability is disclosed as a contingent liability (see paragraph 86 of FRS 37).	
	<p>Contingent liabilities</p>	
FRS 37.28	A contingent liability is disclosed, as required by paragraph 86 of FRS 37 (see below), unless the possibility of an outflow of resources embodying economic benefits is remote.	
	<p>Contingent assets</p>	
FRS 37.34	A contingent asset is disclosed, as required by paragraph 89 of FRS 37 (see below), where an inflow of economic benefits is probable.	
	<p>Reimbursements</p>	
FRS 37.53	Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, and that reimbursement is recognised in the balance sheet, it shall be treated as a separate asset.	
FRS 37.53	<p><i>Note: The reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The amount recognised for the reimbursement shall not exceed the amount of the provision.</i></p>	
FRS 37.54	In the income statement, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.	
FRS 37.54	<p><i>Note: A net presentation as described is permitted, but not required.</i></p>	
	<p>Provisions for restructurings</p>	
FRS 37.9	Where a restructuring meets the definition of a discontinued operation, additional disclosures may be required by FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i> .	
FRS 37.75	If an entity has started to implement a restructuring plan, or announced its main features to those affected, only after the balance sheet date, disclosure is required under FRS 10 <i>Events after the Balance Sheet Date</i> if the restructuring is material and non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.	
	<p>Provisions</p>	
	For each class of provision, an entity shall disclose:	
FRS 37.84(a)	a) the carrying amount at the beginning and end of the period;	
FRS 37.84(b)	b) additional provisions made in the period, including increases to existing provisions;	
FRS 37.84(c)	c) amounts used (i.e. incurred and charged against the provision) during the period;	
FRS 37.84(d)	d) unused amounts reversed during the period; and	
FRS 37.84(e)	e) the increase during the period in the discounted amount arising from the passage of time and the effect of any change in the discount rate.	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 37.84	<p><i>Notes:</i></p> <p>1) <i>Comparative information is not required for the reconciliation prescribed in paragraph 84.</i></p> <p>2) <i>In determining which provisions or contingent liabilities may be aggregated to form a class, it is necessary to consider whether the nature of the items is sufficiently similar for a single statement about them to fulfill the requirements of paragraphs 85(a) and (b) and 86(a) and (b) of FRS 37 (see below). Thus, it may be appropriate to treat as a single class of provision amounts relating to warranties of different products, but it would not be appropriate to treat as a single class amounts relating to normal warranties and amounts that are subject to legal proceedings.</i></p>	
FRS 37.87		
	An entity shall disclose the following for each class of provision:	
FRS 37.85(a)	a) a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits;	
FRS 37.85(b)	b) an indication of the uncertainties about the amount or timing of those outflows;	
FRS 37.85(b)	c) where necessary to provide adequate information, the major assumptions made concerning future events, as addressed in paragraph 48 of FRS 37; and	
FRS 37.85(c)	d) the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.	
	Contingent liabilities	
	Unless the possibility of any outflow in settlement is remote, an entity shall disclose for each class of contingent liability at the balance sheet date:	
FRS 37.86	a) a brief description of the nature of the contingent liability;	
FRS 37.86(a)	b) an estimate of its financial effect, measured under paragraphs 36 to 52 of FRS 37 (where practicable);	
FRS 37.86(b)	c) an indication of the uncertainties relating to the amount or timing of any outflow (where practicable); and	
FRS 37.86(c)	d) the possibility of any reimbursement (where practicable).	
FRS 37.88	Where a provision and a contingent liability arise from the same set of circumstances, an entity makes the disclosures required by paragraphs 84 to 86 of FRS 37 in a way that shows the link between the provision and the contingent liability.	
	Contingent assets	
FRS 37.89	Where an inflow of economic benefits is probable, an entity shall disclose:	
	a) a brief description of the nature of the contingent assets at the balance sheet date; and	
	b) where practicable, an estimate of their financial effect, measured using the principles set out for provisions in paragraphs 36 to 52 of FRS 37.	
FRS 37.90	It is important that disclosures for contingent assets avoid giving misleading indications of the likelihood of income arising.	
	Explanation of information not disclosed	
FRS 37.91	Where any of the information required by paragraphs 86 and 89 of FRS 37 (see above) is not disclosed because it is not practicable to do so, that fact shall be stated.	
FRS 37.92	In the extremely rare cases where disclosure of some or all of the information required by paragraphs 84 to 89 of FRS 37 (see above) can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset, an entity need not disclose the information, but instead shall disclose the general nature of the dispute, together with the fact that, and reason why, the information has not been disclosed.	

FRS 38 Intangible Assets

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 38 which prescribes the accounting treatment for intangible assets that are not specifically dealt with in another Standard. The principal issues are when an intangible asset may be recognised, as well as the determination of the subsequent carrying amount. The Standard prescribes certain criteria that should be met before an intangible asset may be recognised.</i></p>	
	<p>Disclosures – general</p>	
	<p>An entity shall disclose the following for each class of intangible assets, distinguishing between internally generated intangible assets and other intangible assets:</p>	
FRS 38.118(a)	a) whether the useful lives are indefinite or finite;	
FRS 38.118(a)	b) the useful lives or the amortisation rates used for intangible assets with finite useful lives;	
FRS 38.118(b)	c) the amortisation methods used for intangible assets with finite useful lives;	
FRS 38.118(c)	d) the gross carrying amount and any accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the period;	
FRS 38.118(d)	e) the line item(s) of the income statement in which any amortisation of intangible assets is included; and	
FRS 38.118(e)	<p>f) a reconciliation of the carrying amount at the beginning and end of the period showing:</p> <ul style="list-style-type: none"> i) additions, indicating separately (A) those from internal development, (B) those acquired separately, and (C) those acquired through business combinations; ii) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i> and other disposals; iii) increases or decreases during the period resulting from revaluations under paragraphs 75, 85 and 86 of FRS 38 and from impairment losses recognised or reversed directly in equity in accordance with FRS 36 <i>Impairment of Assets</i> (if any); iv) impairment losses recognised in profit or loss during the period in accordance with FRS 36 (if any); v) impairment losses reversed in profit or loss during the period in accordance with FRS 36 (if any); vi) any amortisation recognised during the period; vii) net exchange differences arising on the translation of the financial statements into the presentation currency and on the translation of a foreign operation into the presentation currency of the entity; and viii) other changes in the carrying amount during the period. 	
FRS 38.119	The classes of intangible assets identified in the Standard are disaggregated (aggregated) into smaller (larger) classes if this results in more relevant information for the users of the financial statements.	
FRS 38.119	<p><i>Note: A class of intangible assets is defined as a grouping of assets of a similar nature and use in an entity's operations. Examples of separate classes may include:</i></p> <ul style="list-style-type: none"> • <i>brand names;</i> • <i>mastheads and publishing titles;</i> • <i>computer software;</i> • <i>licences and franchises;</i> • <i>copyrights, patents and other industrial property rights, service and operating rights;</i> • <i>recipes, formulae, models, designs and prototypes; and</i> • <i>intangible assets under development.</i> 	
FRS 38.120	An entity discloses information on impaired intangible assets in accordance with FRS 36 <i>Impairment of Assets</i> in addition to the information required by paragraphs 118(e)(iii) to (v) of FRS 38 (see above).	
FRS 38.121	An entity discloses the nature and amount of any change in an accounting estimate relating to intangible assets that has a material effect in the current period or that is expected to have a material effect in subsequent periods, under FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> .	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 38.121	<p><i>Note:</i> Such disclosure may arise from changes in:</p> <ul style="list-style-type: none"> • the assessment of an intangible asset's useful life; • the amortisation method; or • residual values. 	
	An entity shall also disclose:	
FRS 38.122(a)	a) for an intangible asset assessed as having an indefinite useful life, the carrying amount of that asset;	
FRS 38.122(a)	b) for an intangible asset assessed as having an indefinite useful life: <ol style="list-style-type: none"> i) the reasons supporting the assessment of an indefinite useful life; and ii) a description of the factor(s) that played a significant role in determining that the asset has an indefinite useful life. 	
FRS 38.123	<p><i>Note:</i> When an entity describes the factor(s) that played a significant role in determining whether the useful life of an intangible asset is indefinite or finite, the entity considers the list of factors in paragraph 90 of FRS 38.</p>	
FRS 38.122(b)	c) a description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the financial statements of the entity;	
FRS 38.122(c)	d) for intangible assets acquired by way of a government grant and initially recognised at fair value (see paragraph 44 of FRS 38): <ol style="list-style-type: none"> i) the fair value initially recognised for these assets; ii) their carrying amount; and iii) whether they are measured after recognition under the cost model or the revaluation model; 	
FRS 38.122(d)	e) the existence and carrying amounts of intangible assets whose title is restricted and the carrying amounts of intangible assets pledged as security for liabilities; and	
FRS 38.122(e)	f) the amount of contractual commitments for the acquisition of intangible assets.	
	<p>Revalued intangible assets</p>	
	If intangible assets are accounted for at revalued amounts, an entity shall disclose the following:	
FRS 38.124(a)	a) by class of intangible assets: <ol style="list-style-type: none"> i) the effective date of the revaluation; ii) the carrying amount of revalued intangible assets; and iii) the carrying amount that would have been recognised had the revalued class of intangible assets been measured after recognition using the cost model as described in paragraph 74 of FRS 38; 	
FRS 38.124(b)	b) in respect of the revaluation surplus relating to intangible assets: <ol style="list-style-type: none"> i) the amount of the surplus at the beginning and end of the period; ii) the changes during the period; and iii) any restrictions on the distribution of the balance to shareholders; and 	
FRS 38.124(c)	c) the methods and significant assumptions applied in estimating the assets' fair values.	
FRS 38.125	It may be necessary to aggregate the classes of revalued assets into larger classes for disclosure purposes.	
FRS 38.125	<p><i>Note:</i> Classes are not aggregated if this would result in the combination of a class of intangible assets that includes amounts measured under both the cost and revaluation models.</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p>Research and development expenditure</p>	
FRS 38.126	An entity shall disclose the aggregate amount of research and development expenditure recognised as an expense during the period.	
FRS 38.127	<p><i>Note: Research and development expenditure comprises all expenditure that is directly attributable to research or development activities (see paragraphs 66 and 67 of FRS 38 for guidance on the type of expenditure to be included for the purpose of this disclosure requirement).</i></p>	
	<p>Additional encouraged disclosures</p>	
	An entity is <u>encouraged</u> , but not required, to disclose the following information:	
FRS 38.128(a)	a) a description of any fully amortised intangible asset that is still in use; and	
FRS 38.128(b)	b) a brief description of significant intangible assets controlled by the entity but not recognised as assets because they did not meet the recognition criteria of FRS 38 or because they were acquired or generated before FRS 38 (issued in 2003) was effective.	

FRS 39

Financial Instruments: Recognition and Measurement

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 39.45	<p><i>This section of the checklist addresses FRS 39, which establishes principles for recognising and measuring information about financial assets and financial liabilities.</i></p> <p><i>The presentation and disclosure requirements of FRS 39 supplement those of FRS 32, Financial Instruments: Disclosure and Presentation (see relevant section of this checklist).</i></p> <p>Classification of financial assets</p> <p>The entity may use descriptors or categorizations for its financial assets other than those defined in paragraph 9 of FRS 39 when presenting information on the face of the financial statements.</p> <p><i>Note: For the purpose of measuring a financial asset after initial recognition, paragraph 9 of FRS 39 classifies financial assets into the following four categories:</i></p> <ul style="list-style-type: none"> • <i>financial assets at fair value through profit or loss;</i> • <i>held-to-maturity investments;</i> • <i>loans and receivables; and</i> • <i>available-for-sale financial assets.</i> <p><i>These categories apply to measurement and profit or loss recognition under FRS 39 but do not necessarily place a restriction on descriptors in the context of presentation and disclosure on the face of the financial statements. The entity shall disclose in the notes the information required by FRS 32, Financial Instruments: Disclosure and Presentation.</i></p>	
FRS 39.89A	<p>Fair value hedges</p> <p>For a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities (and only in such a hedge), the requirement in paragraph 89(b) of FRS 39 may be met by presenting the gain or loss attributable to the hedged item either:</p> <ol style="list-style-type: none"> a) in a single separate line item within assets, for those repricing time periods for which the hedged item is an asset; or b) in a single separate line item within liabilities, for those repricing time periods for which the hedged item is a liability. 	
FRS 39.89	<p><i>Notes:</i></p> <ol style="list-style-type: none"> 1) <i>Paragraph 89(b) of FRS 39 requires that the gain or loss on the hedged item attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognised in profit or loss. This applies if the hedged item is otherwise measured at cost. Recognition of the gain or loss attributable to the hedged risk in profit or loss applies if the hedged item is an available-for-sale financial asset.</i> 	
FRS 39.89A	<ol style="list-style-type: none"> 2) <i>The separate line items referred to in (a) and (b) above shall be presented next to financial assets or financial liabilities. Amounts included in these line items shall be removed from the balance sheet when the assets or liabilities to which they relate are derecognised.</i> 	
FRS 39.103	<p>Adoption of Standard before effective date</p> <p>If the entity has applied FRS 39 for annual periods beginning before January 1, 2005, it shall disclose that fact.</p>	
FRS 39.103	<p><i>Note: An entity is not permitted to apply the revised FRS 39 (including the applicable amendments) for annual periods beginning before January 1, 2005, unless it also applies FRS 32 (as revised in 2004).</i></p>	
FRS 39.104	<p>If, on adoption of FRS 39 (as revised in 2004), it is impracticable to adjust the opening balance of retained earnings at the beginning of the earliest year presented and all other comparative amounts as if FRS 39 (as revised in 2004) had always been in use, the entity shall disclose that fact and indicate the extent to which the information was restated.</p>	
FRS 39.103A	<p>Transitional provisions of Standard</p> <p>The transition to the revised FRS 39 differs depending on whether the entity has previously early adopted FRS 39 (issued in 2003) in its prior financial statements, as follows:</p> <p>Early adopters of FRS 39 (issued in 2003)</p> <p>If the entity has applied FRS 39 (issued in 2003) before its effective date of January 1, 2005, it shall apply the following transitional provisions:</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 39.104	<i>Note: FRS 39 (as revised in 2004) shall be applied retrospectively except as specified in paragraphs 105 to 108 of that Standard. The opening balance of retained earnings for the earliest prior period presented and all other comparative amounts shall be adjusted as if FRS 39 (as revised in 2004) had always been in use, unless restating the information would be impracticable.</i>	
FRS 39.105	For any financial instrument designated as available for sale when first applying FRS 39 (as revised in 2004), the entity shall recognise all cumulative changes in fair value as a separate component of equity until subsequent derecognition or impairment (when the entity shall transfer that cumulative gain or loss to profit or loss).	
FRS 39.105	For any financial instrument designated as at fair value through profit or loss or available for sale when first applying the revised FRS 39, the entity shall: <ul style="list-style-type: none"> a) restate the financial asset or financial liability using the new designation in the comparative financial statements; and b) disclose the fair value of the financial assets or financial liabilities designated into each category and the classification and carrying amount in the previous financial statements. 	
FRS 39.105	<i>Note: When the revised FRS 39 is first applied, the entity is permitted to designate a previously recognised financial asset or financial liability as a financial asset or financial liability at fair value through profit or loss or available for sale despite the requirement in paragraph 9 of the revised FRS 39 to make such designation upon initial recognition.</i>	
	First-time adopters of Standard	
	<i>Notes:</i>	
FRS 39.106A	1. <i>When FRS 39 is first applied, the entity shall apply the transitional provisions set out in paragraphs 106B to 108. Early adoption shall be restricted to annual periods beginning on or after January 1, 2003.</i>	
FRS 39.106B	2. <i>Retrospective application is not permitted (except as permitted by paragraph 108).</i>	
FRS 39.106B(a)	When first applying FRS 39, the recognition, derecognition, measurement, and hedge accounting policies followed in financial statements for periods prior to the effective date of this Standard shall not be reversed, and, therefore, those financial statements shall not be restated.	
FRS 39.106B(d)	For any financial asset designated as available for sale, the entity shall recognise all cumulative changes in fair value in a separate component of equity until subsequent derecognition or impairment, when the entity shall transfer that cumulative gain or loss to profit or loss.	
FRS 39.106B(d)	<i>Note: Any adjustment of the previous carrying amounts of financial assets and financial liabilities when FRS 39 is first applied, shall be recognised as an adjustment of the balance of retained earnings at the beginning of the financial year in which FRS 39 is initially applied.</i>	
FRS 39.106B(f)	If an entity's hedge accounting policies prior to initial application of FRS 39 had included deferral, as assets and liabilities, of gains or losses on cash flow hedges, at the beginning of the financial year in which FRS 39 is initially applied, those deferred gains and losses shall be reclassified as a separate component of equity to the extent that the transactions meet the criteria in paragraph 88, and therefore, accounted for as set out in paragraphs 97 to 100.	
	Both early and first-time adopters	
FRS 39.108B	An entity need not apply paragraph AG99B (which is effective for annual periods beginning on or after January 1, 2006) to comparative information relating to periods before the date of application of the last sentence of paragraph 80 and paragraph AG99A.	

FRS 40 Investment Property [effective January 1, 2007]

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 40, which prescribes the accounting treatment for the recognition and measurement of investment property and the related disclosure requirements. The Standard allows entities to choose between a fair value model and a cost model for the measurement of investment property, except in the case of investment property held under an operating lease when the fair value model is required to be applied. One of the key issues is the determination of whether a property meets the definition of an investment property, or is excluded from the scope of this Standard and is instead covered by FRS 16, Property, Plant and Equipment, or FRS105, Non-current Assets Held for Sale and Discontinued Operations.</i></p> <p><i>Where investment property is held under leases, the disclosure requirements in this section apply in addition to those of FRS 17, Leases (see relevant section of this checklist). In accordance with FRS 17, the owner of an investment property provides lessors' disclosures about leases into which it has entered. An entity that holds an investment property under a finance or operating lease provides lessees' disclosures for finance leases and lessors' disclosures for any operating leases into which it has entered.</i></p> <p>General disclosure requirements</p> <p>An entity shall disclose:</p>	
FRS 40.75(a)	a) whether it applies the fair value model or the cost model;	
FRS 40.75(b)	b) if it applies the fair value model, whether, and in what circumstances, property interests held under operating leases are classified and accounted for as investment property;	
FRS 40.75(c)	c) when classification is difficult (see paragraph 14 of FRS 40), the criteria it uses to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business;	
FRS 40.75(d)	d) the methods and significant assumptions applied in determining the fair value of investment property, including a statement whether the determination of fair value was supported by market evidence or was more heavily based on other factors (which the entity shall disclose) because of the nature of the property and lack of comparable market data;	
FRS 40.75(e)	e) the extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued;	
FRS 40.75(e)	f) if there has been no valuation by an appropriately qualified independent valuer, that fact;	
FRS 40.75(f)	g) the amounts recognised in profit or loss for: <ul style="list-style-type: none"> i) rental income from investment property; ii) direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period; iii) direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the period; and iv) where the entity has selected a different model (cost or fair value) to account for its investment property backing liabilities that pay a return linked directly to the fair value of, or the returns from, specified assets (including the investment property), the cumulative change in fair value recognised in profit or loss on a sale of investment property from a pool of assets in which the cost model is used into a pool in which the fair value model is used (see paragraph 32C of FRS 40); 	
FRS 40.75(g)	h) the existence and amounts of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal; and	
FRS 40.75(h)	i) contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.	
	<p>Fair value model</p>	
FRS 40.76	In addition to the disclosures required by paragraph 75 of FRS 40 (see above), an entity that applies the fair value model (as described in paragraphs 33 to 55 of FRS 40), shall disclose a reconciliation between the carrying amounts of investment property at the beginning and end of the period.	
	The reconciliation required by paragraph 76 of FRS 40 (see above) shall show the following:	
FRS 40.76(a)	a) additions, disclosing separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised in the carrying amount of an asset;	
FRS 40.76(b)	b) additions resulting from acquisitions through business combinations;	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 40.76(c)	c) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i> and other disposals;	
FRS 40.76(d)	d) net gains or losses from fair value adjustments;	
FRS 40.76(e)	e) the net exchange differences arising on the translation of the financial statements into a different presentation currency, and on translation of a foreign operation into the presentation currency of the reporting entity;	
FRS 40.76(f)	f) transfers to and from inventories and owner-occupied property; and	
FRS 40.76(g)	g) other changes.	
FRS 40.77	When a valuation obtained for investment property is adjusted significantly for the purpose of the financial statements (e.g. to avoid double-counting of assets or liabilities that are recognised as separate assets and liabilities as described in paragraph 50 of FRS 40), the entity shall disclose a reconciliation between the valuation obtained and the adjusted valuation included in the financial statements, showing separately the aggregate amount of any recognised lease obligations that have been added back, and any other significant adjustments.	
FRS 40.78	In the exceptional cases when an entity measures investment property using the cost model in FRS 16 <i>Property, Plant and Equipment</i> , because of the lack of a reliable fair value (see paragraph 53 of FRS 40), the reconciliation required by paragraph 76 of FRS 40 (see above) shall disclose amounts relating to that investment property separately from amounts relating to other investment property.	
	In the exceptional cases when an entity measures investment property using the cost model in FRS 16 <i>Property, Plant and Equipment</i> , because of the lack of a reliable fair value (see paragraph 53 of FRS 40), an entity shall disclose:	
FRS 40.78(a)	a) a description of the investment property;	
FRS 40.78(b)	b) an explanation of why fair value cannot be reliably determined;	
FRS 40.78(c)	c) if possible, the range of estimates within which fair value is highly likely to lie; and	
FRS 40.78(d)	d) on disposal of investment property not carried at fair value: <ul style="list-style-type: none"> i) the fact that the entity has disposed of investment property not carried at fair value; ii) the carrying amount of that investment property at the time of sale; and iii) the amount of gain or loss recognised. 	
	Cost model	
	In addition to the disclosures required by paragraph 75 of FRS 40 (see above), an entity that applies the cost model shall also disclose:	
FRS 40.79(a)	a) the depreciation methods used;	
FRS 40.79(b)	b) the useful lives or the depreciation rates used;	
FRS 40.79(c)	c) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period;	
FRS 40.79(d)	d) a reconciliation of the carrying amount of investment property at the beginning and end of the period, showing the following: <ul style="list-style-type: none"> i) additions, disclosing separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised as an asset; ii) additions resulting from acquisitions through business combinations; iii) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i> and other disposals; iv) depreciation; v) the amount of impairment losses recognised, and the amount of impairment losses reversed, during the period in accordance with FRS 36 <i>Impairment of Assets</i>; vi) the net exchange differences arising on the translation of the financial statements into a different presentation currency, and on translation of a foreign operation into the presentation currency of the reporting entity; 	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 40.79(e)	<ul style="list-style-type: none"> vii) transfers to and from inventories and owner-occupied property; and viii) other changes; and e) the fair value of investment property. 	
FRS 40.79(e)	<p>In the exceptional cases described in paragraph 53 of FRS 40, when an entity cannot determine the fair value of the investment property reliably, it shall disclose:</p> <ul style="list-style-type: none"> a) a description of the investment property; b) an explanation of why fair value cannot be determined reliably; and c) if possible, the range of estimates within which fair value is highly likely to lie. 	
	<p>Transitional provisions</p>	
	<p>Fair value model</p>	
FRS 40.80	<p>An entity should report the effect of adopting FRS 40 on its effective date (or earlier) as an adjustment to the opening balance of retain earnings for the period in which it is first adopted.</p>	
FRS 40.80(a)	<p>If the entity has previously disclosed publicly (in financial statements or otherwise) the fair value of those property interests in earlier periods (determined on a basis that satisfies the definition of fair value in paragraph 5 and the guidance in paragraphs 36-52 of FRS 40), the entity is <u>encouraged</u>, but not required:</p> <ul style="list-style-type: none"> a) to adjust the opening balance of retained earnings for the earliest period presented for which such fair value was disclosed publicly; and b) to restate comparative information for those periods. 	
FRS 40.80(b)	<p>If the entity has not previously disclosed publicly the information described in paragraph 80(a) of FRS 40 (see above), it shall not restate comparative information and shall disclose that fact.</p>	
FRS 40.82	<p>When an entity first applies FRS 40, the adjustment to the opening balance of retained earnings includes the reclassification of any amount held in revaluation surplus for investment property.</p>	
	<p>Cost model</p>	
FRS 40.83	<p>When an entity first applies FRS 40, and that chooses to use the cost model, the effect of the change in accounting policies includes the reclassification of any amount held in revaluation surplus for investment property.</p>	
FRS 40.83	<p><i>Note: FRS 8, Accounting Policies, Changes in Accounting Estimates and Errors, applies to any change in accounting policies that is made when an entity first applies FRS 40 and chooses to use the cost model.</i></p>	
	<p>Adoption of Standard before effective date</p>	
FRS 40.85	<p>If the entity has applied FRS 40 for annual periods beginning before January 1, 2007, it shall disclose that fact.</p>	

FRS 41 Agriculture

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 41 which prescribes the accounting treatment for agricultural activity. Agricultural activity is the management by an entity of the biological transformation of living animals or plants (biological assets) for sale, into agricultural produce, or into additional biological assets. The primary issues are determining whether the Standard is applicable to the activities undertaken by the entity, and the determination of fair value of biological assets and agricultural produce.</i></p> <p><i>FRS 41 is applied to agricultural produce, which is the harvested product of the entity's biological assets, only at the point of harvest (e.g. fruit hanging on the fruit tree, ready to be picked – not packaged and ready for sale.). Once agricultural produce has been harvested, it is inventory and should be accounted for under FRS 2, Inventories. Also, the subsequent processing of agricultural produce after harvest (e.g. grapes into wine) is not covered by FRS 41, but by FRS 2.</i></p>	
	<p>General disclosure</p>	
FRS 41.40	An entity shall disclose the aggregate gain or loss arising during the current period on initial recognition of biological assets and agricultural produce and from the change in fair value less estimated point-of-sale costs of biological assets.	
FRS 41.41	An entity shall provide a description of each group of biological assets.	
FRS 41.42	<i>Note: The disclosure required by paragraph 41 of FRS 41 (see above) may take the form of a narrative or quantified description.</i>	
FRS 41.43	An entity is <u>encouraged</u> to provide a quantified description of each group of biological assets, distinguishing between consumable and bearer biological assets or between mature and immature biological assets, as appropriate.	
FRS 41.43	<i>Note: For example, an entity may disclose the carrying amounts of consumable biological assets and bearer biological assets by group. An entity may further divide those carrying amounts between mature and immature assets. These distinctions provide information that may be helpful in assessing the timing of future cash flows.</i>	
FRS 41.43	An entity discloses the basis for making the distinctions between consumable and bearer biological assets, or between mature and immature biological assets, as appropriate.	
	<i>Notes:</i>	
FRS 41.44	<i>1) Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets. Examples of consumable biological assets are livestock intended for the production of meat, livestock held for sale, fish in farms, crops such as maize and wheat, and trees being grown for lumber. Bearer biological assets are those other than consumable biological assets: for example, livestock from which milk is produced, grape vines, fruit trees, and trees from which firewood is harvested while the tree remains. Bearer biological assets are not agricultural produce but, rather, are self-regenerating.</i>	
FRS 41.45	<i>2) Biological assets may be classified either as mature biological assets or immature biological assets. Mature biological assets are those that have attained harvestable specifications (for consumable biological assets) or are able to sustain regular harvests (for bearer biological assets).</i>	
	If not disclosed elsewhere in information published with the financial statements, an entity shall describe:	
FRS 41.46(a)	a) the nature of its activities involving each group of biological assets; and	
FRS 41.46(b)	b) non-financial measures or estimates of the physical quantities of: <ul style="list-style-type: none"> i) each group of the entity's biological assets at the end of the period; and ii) output of agricultural produce during the period. 	
FRS 41.47	An entity shall disclose the methods and significant assumptions applied in determining the fair value of each group of agricultural produce at the point of harvest and each group of biological assets.	
FRS 41.48	An entity shall disclose the fair value less estimated point-of-sale costs of agricultural produce harvested during the period, determined at the point of harvest.	
	An entity shall disclose:	
FRS 41.49(a)	a) the existence and carrying amounts of biological assets whose title is restricted, and the carrying amounts of biological assets pledged as security for liabilities;	
FRS 41.49(b)	b) the amount of commitments for the development or acquisition of biological assets; and	
FRS 41.49(c)	c) financial risk management strategies related to agricultural activity.	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 41. 50	<p>An entity shall present a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period.</p> <p>The reconciliation required by paragraph 50 of FRS 41 (see above) shall include:</p>	
FRS 41. 50(a)	a) the gain or loss arising from changes in fair value less estimated point-of-sale costs;	
FRS 41. 50(b)	b) increases due to purchases;	
FRS 41. 50(c)	c) decreases attributable to sales and biological assets classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i> ;	
FRS 41. 50(d)	d) decreases due to harvest;	
FRS 41. 50(e)	e) increases resulting from business combinations;	
FRS 41. 50(f)	f) net exchange differences arising on the translation of financial statements into a different presentation currency, and on the translation of a foreign operation into the presentation currency of the reporting entity; and	
FRS 41. 50(g)	g) other changes.	
FRS 41.51	When there is a production cycle of more than one year, an entity is <u>encouraged</u> to disclose separately, by group or otherwise, the amount of change in fair value less estimated point-of-sale costs of biological assets included in profit or loss due to physical changes and due to price changes.	
FRS 41.51	<p><i>Note: The fair value less estimated point-of-sale costs of a biological asset can change due to both physical changes and price changes in the market. Separate disclosure of physical and price changes is useful in appraising current period performance and future prospects, particularly when there is a production cycle of more than one year. This information is generally less useful when the production cycle is less than one year (e.g. when raising chickens or growing cereal crops).</i></p>	
FRS 41.53	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 FRS 1 <i>Presentation of Financial Statements</i> .	
FRS 41.53	<p><i>Note: Agricultural activity is often exposed to climatic, disease, and other natural risks. Examples include an outbreak of a virulent disease, a flood, severe droughts or frosts, and a plague of insects.</i></p>	
	<p>Additional disclosures for biological assets where fair value cannot be measured reliably</p>	
	If an entity measures biological assets at their cost less any accumulated depreciation and any accumulated impairment losses (see paragraph 30 of FRS 41) at the end of the period, the entity shall disclose for such biological assets:	
FRS 41.54(a)	a) a description of the biological assets;	
FRS 41.54(b)	b) an explanation of why fair value cannot be measured reliably;	
FRS 41.54(c)	c) if possible, the range of estimates within which fair value is highly likely to lie;	
FRS 41.54(d)	d) the depreciation method used;	
FRS 41.54(e)	e) the useful lives or the depreciation rates used; and	
FRS 41.54(f)	f) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period.	
FRS 41.55	<p>If, during the current period, an entity measures biological assets at their cost less any accumulated depreciation and any accumulated impairment losses (see paragraph 30 of FRS 41):</p> <p>a) an entity shall disclose any gain or loss recognised on disposal of such biological assets;</p> <p>b) the reconciliation required by paragraph 50 of FRS 41 (see above) shall disclose amounts related to such biological assets separately; and</p> <p>c) the reconciliation required by paragraph 50 of FRS 41 (see above) shall include the following amounts included in profit or loss related to those biological assets:</p> <p>i) impairment losses;</p> <p>ii) reversals of impairment losses; and</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p>iii) depreciation.</p> <p>If the fair value of biological assets previously measured at their cost less any accumulated depreciation and any accumulated impairment losses becomes reliably measurable during the current period, an entity shall disclose for those biological assets:</p>	
FRS 41.56(a)	a) a description of the biological assets;	
FRS 41.56(b)	b) an explanation of why fair value has become reliably measurable; and	
FRS 41.56(c)	c) the effect of the change.	
	<p>Government grants</p> <p>An entity shall disclose the following related to agricultural activity covered by FRS 41:</p>	
FRS 41.57(a)	a) the nature and extent of government grants recognised in the financial statements;	
FRS 41.57(b)	b) unfulfilled conditions and other contingencies attaching to government grants; and	
FRS 41.57(c)	c) significant decreases expected in the level of government grants.	

FRS 101 First-time Adoption of International Financial Reporting Standards

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 101, which applies when an entity adopts FRSs for the first time by an explicit and unreserved statement of compliance with FRSs. FRS 101 provides guidance regarding the transition from a previous Generally Accepted Accounting Principles (GAAP) to FRSs. FRS 101 requires the entity to prepare an opening FRS balance sheet, which complies with all FRSs (including all FRSs and INT FRSs) effective at the reporting date for its first FRS financial statements. FRS 101 requires retrospective application of those Standards in most areas, with limited exemptions.</i></p> <p><i>For the purposes of FRS 101, the date of transition to FRSs is the beginning of the earliest period for which the entity presents full comparative information under FRSs in its first FRS financial statements. The opening FRS balance sheet is prepared at this date. Entities are not required to present their opening FRS balance sheets in their first FRS financial statements.</i></p> <p>Employee benefits</p> <p><i>Note: With effect from the implementation of the amendments to FRS 19, Employee Benefits, issued in June 2005 (see FRS 19 section of this checklist), paragraph 20A is added to FRS 101 as follows:</i></p> <p><i>“An entity may disclose the amounts required by paragraph 120A(p) [of FRS 19 (r2005)] as the amounts are determined prospectively from the transition date.”</i></p> <p><i>The effective date of these amendments is January 1, 2006, although earlier adoption is encouraged.</i></p> <p>Comparative information</p>	
FRS 101.36	<p>The entity's first FRS financial statements shall include at least one year of comparative information under FRSs.</p> <p>Exemption from the requirement to restate comparative information for FRS 32, FRS 39 and FRS 104</p> <p>An entity that adopts FRSs before January 1, 2006, and chooses to present comparative information that does not comply with FRS 32 <i>Financial Instruments: Disclosure and Presentation</i>, FRS 39 <i>Financial Instruments: Recognition and Measurement</i> and FRS 104 <i>Insurance Contracts</i> in its first year of transition, shall:</p>	
FRS 101.36A(a)	a) apply its previous GAAP in the comparative information to financial instruments within the scope of FRS 32 and FRS 39 and to insurance contracts within the scope of FRS 104:	
FRS 101.36A(b)	b) disclose that fact;	
FRS 101.36A(b)	c) disclose the basis used to prepare the comparative information under previous GAAP; and	
FRS 101.36A(c)	d) disclose the nature of the main adjustments that would make the information comply with FRS 32, FRS 39 and FRS 104.	
	<p><i>Notes:</i></p>	
FRS 101.36A	1) <i>This exemption is not available to entities adopting FRSs for the first time on or after January 1, 2006.</i>	
FRS 101.36A(c)	2) <i>When disclosing the nature of the adjustments that would make the information comply with the relevant Standards, the entity need not quantify those adjustments.</i>	
FRS 101.36A	3) <i>For entities choosing to present comparative information that does not comply with FRS 32, FRS 39 and FRS 104, references to the ‘date of transition to FRSs’ shall mean, in the case of those Standards only, the beginning of the first FRS reporting period.</i>	
FRS 101.36A(c)	Where the exemption from presentation of comparative information in accordance with the relevant Standards is taken, any adjustment between the balance sheet at the comparative period's reporting date (i.e. the balance sheet that includes comparative information under previous GAAP) and the balance sheet at the start of the first FRS reporting period (i.e. the first period that includes information that complies with FRS 32, FRS 39 and FRS 104) shall be treated as arising from a change in accounting policy.	
FRS 101.36A(c)	In respect of the adjustments treated as changes in accounting policies, the entity shall provide the disclosures required by paragraphs 28(a) to (e) and (f)(i) of FRS 8 <i>Accounting Policies, Changes in Accounting Estimate and Errors</i> (see relevant section of this checklist).	
FRS 101.36A(c)	<i>Note: Paragraph 28(f)(i) of FRS 8 applies only to amounts presented in the balance sheet at the comparative period's reporting date.</i>	
	<p>Exemption from the requirement to present comparative disclosures under FRS 106</p>	
FRS 101.36B	An entity that adopts FRSs before January 1, 2006 and that chooses to adopt FRS 106 <i>Exploration for and Evaluation of Mineral Resources</i> before January 1, 2006 need not present the disclosures required by FRS 106 for comparative periods in its first FRS financial statements.	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>Notes:</i></p> <p>1) <i>FRS 106 is effective for annual periods beginning on or after January 1, 2006, but earlier adoption is encouraged. This exemption is not available to entities adopting FRSs for the first time on or after January 1, 2006.</i></p> <p>2) <i>The CCDG has issued an Exposure Draft to give effect to its original intent to exempt entities from the recognition and measurement requirements of FRS 106 for the comparative period, rather than only exempting such entities from providing comparative disclosures.</i></p> <p>Historical summaries and additional previous GAAP comparative information</p> <p>Where the entity presents either (i) historical summaries of selected data that does not comply with the recognition or measurement requirements of FRSs for periods before the first period for which it presents full comparative information under FRSs, or (ii) comparative information under previous GAAP in addition to the comparative information required by FRS 1 <i>Presentation of Financial Statements</i>:</p>	
FRS 101.37(a)	a) the previous GAAP information shall be prominently labelled as not being prepared under FRSs; and	
FRS 101.37(b)	b) the entity shall disclose the nature of the main adjustments that would make the previous GAAP information comply with FRSs.	
	<p><i>Notes:</i></p>	
FRS 101.37	1) <i>Where the entity presents historical summaries of selected data for periods before the first period for which it presents full comparative information under FRSs, FRS 101 does not require such summaries to comply with the recognition and measurement requirements of FRSs.</i>	
FRS 101.37(b)	2) <i>When disclosing the nature of the adjustments that would make the information comply with FRSs, the entity need not quantify those adjustments.</i>	
	<p>Explanation of transition to FRSs</p> <p>Reconciliations</p>	
FRS 101.38	The entity shall adequately explain how the transition from previous GAAP to FRSs affected its reported financial position, financial performance and cash flows.	
	<p><i>Note: Paragraphs 39 to 46 of FRS 101, set out below, specify the detailed disclosures required to comply with FRS 101.38. Example 11 included in the Implementation Guidance accompanying FRS 101 illustrates one way of satisfying the requirements of paragraphs 39(a) and 39(b), 40 and 41.</i></p>	
FRS 101.39(a)	The entity's first FRS financial statements shall include reconciliations of its equity reported under previous GAAP to its equity under FRSs for both of the following dates:	
	a) the date of transition to FRSs; and	
	b) the end of the latest period presented in the entity's most recent annual financial statements under previous GAAP.	
FRS 101.39(b)	The entity's first FRS financial statements shall include a reconciliation of the profit or loss reported under previous GAAP for the latest period in the entity's most recent annual financial statements to its profit or loss under FRSs for the same period.	
FRS 101.40	<p><i>Note: The reconciliations required by paragraphs 39(a) and 39(b) of FRS 101 (as outlined above) are required to give sufficient detail to enable users to understand the material adjustments to the balance sheet and income statement.</i></p>	
FRS 101.39(c)	If the entity recognised or reversed any impairment losses for the first time in preparing its opening FRS balance sheet, its first FRS financial statements shall include the disclosures that FRS 36 <i>Impairment of Assets</i> would have required if the entity had recognised those impairment losses or reversals in the period beginning with the date of transition to FRSs.	
FRS 101.40	If the entity presented a cash flow statement under its previous GAAP, it shall explain the material adjustments to the cash flow statement.	
FRS 101.41	If the entity has become aware of errors made under previous GAAP, the reconciliations required by paragraphs 39(a) and 39(b) of FRS 101 (as outlined above) shall distinguish the correction of those errors from changes in accounting policies.	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 101.42	<i>Note: FRS 8 does not deal with changes in accounting policies when an entity first adopts FRSs. Therefore, FRS 8's requirements for disclosures about changes in accounting policies do not apply in an entity's first FRS financial statements.</i>	
FRS 101.43	If the entity did not present financial statements for previous periods, its first FRS financial statements shall disclose that fact.	
	Designation of financial assets or financial liabilities	
FRS 101.43A	If the entity has designated any previously recognised financial assets or financial liabilities as "at fair value through profit or loss" or as "available-for-sale" (as permitted by paragraph 25A of FRS 101), the following shall be disclosed:	
	a) the fair value of any financial assets or financial liabilities designated into each category; and	
	b) the classification and carrying amount in the previous financial statements.	
	Use of fair value as deemed cost	
	If the entity has used fair value in its opening FRS balance sheet as deemed cost for an item of property, plant and equipment, an investment property or an intangible asset (as permitted by paragraphs 16 and 18 of FRS 101), the entity's first FRS financial statements shall disclose, for each line item in the opening balance sheet:	
FRS 101.44(a)	a) the aggregate of those fair values; and	
FRS 101.44(b)	b) the aggregate adjustment to the carrying amounts reported under previous GAAP.	
	Interim financial reports	
FRS 101.45	<i>Note: The requirements below refer to interim reports prepared under FRS 34, Interim Financial Reporting, for interim periods covered by the entity's first FRS financial statements. They supplement the requirements of FRS 34 (which are set out in a separate section of this checklist) for such interim periods.</i>	
FRS 101.45(a)	Where an entity presents an interim financial report under FRS 34 for part of the period covered by its first FRS financial statements, and it presented an interim financial report for the comparable interim period of the immediately preceding financial year, each such interim financial report shall include reconciliations of:	
	a) its equity under previous GAAP at the end of that comparable interim period to its equity under FRSs at that date; and	
	b) its profit or loss under previous GAAP for that comparable interim period (current and year-to-date) to its profit or loss under FRSs for that period.	
FRS 101.45(b)	In addition to the reconciliations required by paragraph 45(a) of FRS 101 (as outlined above), the entity's <u>first</u> interim financial report under FRS 34 for part of the period covered by its first FRS financial statements shall include the reconciliations described in paragraphs 39(a) and 39(b) of FRS 101 (supplemented by the details required by paragraphs 40 and 41 of FRS 101) (see section headed 'reconciliations' above) or a cross-reference to another published document that includes those reconciliations.	
FRS 101.46	If a first-time adopter did not, in its most recent annual financial statements under previous GAAP, disclose information material to an understanding of the current interim period, its interim financial report shall disclose that information or include a cross-reference to another published document that includes it.	
FRS 101.46	<i>Note: FRS 34 requires minimum disclosures, which are based on the assumption that users of the interim financial report also have access to the most recent annual financial statements. However, FRS 34 also requires an entity to disclose 'any events or transactions that are material to an understanding of the current interim period'.</i>	
	Adoption of Standard before effective date	
FRS 101.47	If an entity's first FRS financial statements are for annual periods beginning before January 1, 2004, and the entity has applied FRS 101 instead of INT FRS 8 <i>First-time Application of FRSs as the Primary Basis of Accounting</i> , it shall disclose that fact.	

FRS 102

Share-based Payment

FRS 102 is effective for annual periods beginning on or after January 1, 2005 for public entities. For all other entities, it is effective for annual periods beginning on or after January 1, 2006.

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 102, which prescribes the accounting for transactions in which the consideration paid by the entity for goods or services is linked, either directly or indirectly, to the entity's equity securities or to equity instruments of another entity in the same group. The principal issues relate to the measurement of the share-based payment transaction and the subsequent expensing thereof.</i></p> <p><i>The Implementation Guidance accompanying FRS 102 provides an illustration of one way of satisfying the disclosure requirements of paragraphs 44 to 52 of FRS 102. Note that the illustrative example is not exhaustive and, in particular, it does not illustrate all the disclosure requirements of FRS 102.</i></p>	
	<p>The nature and extent of share-based payment arrangements that existed in the period</p>	
FRS 102.44	<p>The entity shall disclose information that enables users of the financial statements to understand the nature and extent of share-based payment arrangements that existed during the period.</p> <p><i>Note: Paragraph 45 of FRS 102, set out below, specifies the minimum disclosures required to satisfy this requirement.</i></p>	
	<p>The entity shall disclose the following (at a minimum):</p>	
FRS 102.45(a)	<p>a) a description of each type of share-based payment arrangement that existed at any time during the period, including the general terms and conditions of each arrangement;</p>	
	<p><i>Notes:</i></p>	
FRS 102.45(a)	<p>1) <i>The general terms and conditions of share-based payment arrangements will include items such as vesting requirements, the maximum term of the options granted, and the method of settlement (cash or equity or both).</i></p>	
FRS 102.45(a)	<p>2) <i>An entity with substantially similar types of share-based payment arrangements may aggregate this information, unless separate disclosure of each arrangement is necessary to satisfy the principle in paragraph 44 of FRS 102 (see above).</i></p>	
FRS 102.45(b)	<p>b) the number and weighted average exercise prices of share options for each of the following groups of options:</p> <ul style="list-style-type: none"> i) outstanding at the beginning of the period; ii) granted during the period; iii) forfeited during the period; iv) exercised during the period; v) expired during the period; vi) outstanding at the end of the period; and vii) exercisable at the end of the period; 	
FRS 102.45(c)	<p>c) for share options exercised during the period, the weighted average share price at the date of exercise; and</p>	
FRS 102.45(c)	<p><i>Note: If options were exercised on a regular basis throughout the period, the entity may instead disclose the weighted average share price during the period.</i></p>	
FRS 102.45(d)	<p>d) for share options outstanding at the end of the period, the range of exercise prices and weighted average remaining contractual life.</p>	
FRS 102.45(d)	<p><i>Note: If the range of exercise prices is wide, the outstanding options shall be divided into ranges that are meaningful for assessing the number and timing of additional shares that may be issued and the cash that may be received upon exercise of those options.</i></p>	
	<p>The basis of determination of the fair value of the goods or services received, or the fair value of the equity instruments granted, during the period</p>	
FRS 102.46	<p>The entity shall disclose information that enables users of the financial statements to understand how the fair value of the goods or services received, or the fair value of the equity instruments granted, during the period was determined.</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>Note: Paragraphs 47 to 49 of FRS 102, set out below, specify the minimum disclosures required to satisfy this requirement.</i></p>	
FRS 102.47(a)	<p>If the entity has measured the fair value of goods or services received as consideration for equity instruments of the entity indirectly, by reference to the fair value of the equity instruments granted, the entity shall disclose the following for <u>share options</u> granted during the period (at a minimum):</p> <ol style="list-style-type: none"> a) the weighted average fair value of those share options at the measurement date; and b) information on how the fair value of the share options was measured, including: <ol style="list-style-type: none"> i) the option pricing model used; ii) the inputs to that model, including the weighted average share price, the exercise price, expected volatility, option life, expected dividends, the risk-free interest rate and any other inputs to the model, including the method used and the assumptions made to incorporate the effects of early exercise; iii) how the expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and iv) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition. 	
FRS 102.47(b)	<p>If the entity has measured the fair value of goods or services received as consideration for equity instruments of the entity indirectly, by reference to the fair value of the equity instruments granted, the entity shall disclose the following for <u>equity instruments other than share options</u> granted during the period (at a minimum):</p> <ol style="list-style-type: none"> a) the number and weighted average fair value of those equity instruments, determined at the measurement date; and b) information on how the fair value of the equity instruments was measured, including: <ol style="list-style-type: none"> i) if fair value was not measured on the basis of an observable market price, how it was determined; ii) whether and how expected dividends were incorporated into the measurement of fair value; and iii) whether and how any other features of the equity instruments granted were incorporated into the measurement of fair value. 	
FRS 102.47(c)	<p>If the entity has measured the fair value of goods or services received as consideration for equity instruments of the entity indirectly, by reference to the fair value of the equity instruments granted, the entity shall disclose the following for <u>share-based payment arrangements that were modified</u> during the period (at a minimum):</p> <ol style="list-style-type: none"> a) an explanation of those modifications; b) the incremental fair value granted as a result of those modifications; and c) information on how the incremental fair value granted was measured, consistently with the requirements set out in paragraphs 47(a) and 47(b) of FRS 102 (see above), where applicable. 	
FRS 102.48	<p>If share-based payment transactions were measured directly, using the fair value of goods or services received during the period, the entity shall disclose how the fair value of the goods or services received was determined (e.g. whether fair value was measured at a market price for those goods and services).</p>	
FRS 102.49	<p>If the entity has rebutted the presumption in paragraph 13 of FRS 102 that the fair value of the goods or services received from parties other than employees can be measured reliably (and, consequently, the entity has measured the fair value of goods and services received from such parties by reference to the equity instruments granted), the entity shall disclose:</p> <ol style="list-style-type: none"> a) that fact; and b) an explanation of why the presumption was rebutted. 	
	<p>The effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position</p>	
FRS 102.50	<p>The entity shall disclose information that enables users of the financial statements to understand the effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position.</p> <p><i>Note: Paragraph 51 of FRS 102, set out below, specifies the minimum disclosures required to satisfy this requirement.</i></p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
	The entity shall disclose the following (at a minimum):	
FRS 102.51(a)	a) the total expense recognised for the period arising from share-based payment transactions in which the goods or services received did not qualify for recognition as assets;	
FRS 102.51(a)	b) the portion of the total expense recognised for the period that arises from transactions accounted for as equity-settled share-based payment transactions;	
FRS 102.51(b)	c) the total carrying amount at the end of the period for liabilities arising from share-based payment transactions;	
FRS 102.51(b)	d) the total intrinsic value at the end of the period of liabilities arising from share-based payment transactions for which the counterparty's right to cash or other assets had vested by the end of the period (e.g. vested share appreciation rights).	
	Additional information	
FRS 102.52	If the detailed information specified for disclosure by FRS 102 (as set out above) does not satisfy the principles in paragraphs 44, 46 and 50 of FRS 102, the entity shall disclose such additional information as is necessary to satisfy those principles.	
	Adoption of Standard before effective date	
FRS 102.60	If the entity has applied FRS 102 for annual periods beginning before the respective effective dates, it shall disclose that fact.	
	Transitional provisions	
FRS 102.56	The entity shall disclose the information required by paragraphs 44 and 45 of FRS 102 (see above) for all grants of equity instruments to which this has not been applied (e.g. equity instruments granted on or before November 22, 2002).	

FRS 103

Business Combinations [effective July 1, 2004]

FRS 103 is effective for the accounting for business combinations for annual periods beginning on or after July 1, 2004. The revised FRS 36 and FRS 38 will also be applied to those transactions. For goodwill, negative goodwill, and other intangible assets previously recognised, FRS 103 and revised FRS 36 and FRS 38 will be effective for the entity's first annual period beginning on or after July 1, 2004.

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 103, which prescribes the accounting treatment for business combinations. A business combination is the bringing together of separate entities or businesses into one reporting entity (e.g. through mergers, acquisitions or the acquisition of assets).</i></p>	
	<p>Acquiree's contingent liabilities</p>	
FRS 103.47	If a contingent liability of the acquiree has not been recognised separately as part of allocating the cost of a business combination, because its fair value cannot be measured reliably, the acquirer shall disclose the information about that contingent liability required to be disclosed by FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> .	
FRS 103.50	For contingent liabilities recognised separately as part of the allocation of the cost of a business combination, the acquirer shall disclose the information required by FRS 37 for each class of provision.	
FRS 103.50	<i>Note: Contingent liabilities recognised separately as part of allocating the cost of a business combination are excluded from the scope of FRS 37. However, the disclosure requirements of that Standard do apply.</i>	
	<p>Adjustment of comparative information where the initial accounting was determined provisionally</p>	
FRS 103.62	Where the acquirer has made adjustments to provisional values determined at the time of the initial accounting for a business combination, in accordance with the requirements of paragraph 62 of FRS 103, comparative information presented for the periods before the initial accounting for the combination is complete (i.e. for periods before the adjustments are made) shall be presented as if the initial accounting had been completed from the acquisition date.	
FRS 103.62	<i>Note: Adjustments to comparative information will include any additional depreciation, amortisation or other profit or loss effect recognised as a result of completing the initial accounting.</i>	
	<p>The nature and financial effect of business combinations effected during the period and after the balance sheet date</p>	
FRS 103.66	The acquirer shall disclose information that enables users of its financial statements to evaluate the nature and financial effect of business combinations that were effected: <ul style="list-style-type: none"> a) during the period; and b) after the balance sheet date but before the financial statements are authorised for issue. 	
	<i>Note: Paragraphs 67 to 71 of FRS 103, set out below, specify the minimum disclosures required to satisfy this requirement.</i>	
	<p>Business combinations effected during the period</p>	
FRS 103.68	<i>Note: The information listed below may be disclosed in aggregate for business combinations effected during the period that are individually immaterial.</i>	
	For each material business combination that was effected during the period, the acquirer shall disclose:	
FRS 103.67(a)	a) the names and descriptions of the combining entities or businesses;	
FRS 103.67(b)	b) the acquisition date;	
FRS 103.67(c)	c) the percentage of voting equity instruments acquired;	
	d) details of the cost of the combination, including: <ul style="list-style-type: none"> i) the total cost; ii) a description of the components of that cost; and 	
FRS 103.67(d)	iii) any costs directly attributable to the business combination;	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 103.67(d)	<p>e) where equity instruments have been issued or become issuable as part of the cost of the combination, the following information:</p> <ul style="list-style-type: none"> i) the number of equity instruments issued or issuable; ii) the fair value of the equity instruments issued or issuable; and iii) the basis for determining that fair value; 	
FRS 103.67(d)	<p>f) in disclosing the basis for determining the fair value of equity instruments issued or issuable as part of the cost of the combination, if a published price for the instruments did not exist at the date of exchange, the significant assumptions used to determine fair value;</p>	
FRS 103.67(d)	<p>g) in disclosing the basis for determining the fair value of equity instruments issued or issuable as part of the cost of the combination, if a published price for the instruments existed at the date of exchange, but was not used as the basis for determining the cost of the combination:</p> <ul style="list-style-type: none"> i) that fact; ii) the reasons the published price was not used; iii) the method and significant assumptions used to attribute a value to the equity instruments; and iv) the aggregate amount of the difference between the value attributed to, and the published price of, the equity instruments; 	
FRS 103.67(e)	<p>h) details of any operations the entity has decided to dispose of as a result of the business combination;</p> <p><i>Note: Such details could include the nature of the operations, recent results from operations and the expected timing of the disposal.</i></p>	
FRS 103.67(f)	<p>i) the amounts recognised at the acquisition date for each class of the acquiree's assets, liabilities and contingent liabilities;</p>	
FRS 103.67(f)	<p>j) unless disclosure would be impracticable, the carrying amounts of each class of the acquiree's assets, liabilities and contingent liabilities, determined in accordance with FRSs, immediately before the combination;</p>	
FRS 103.67(f)	<p>k) if disclosure of such FRS carrying amounts immediately before combination is impracticable, that fact, together with an explanation of why this is the case;</p>	
FRS 103.67(g)	<p>l) in respect of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost:</p> <ul style="list-style-type: none"> i) the amount of any such excess recognised in profit or loss in accordance with paragraph 56 of FRS 103; and ii) the line item in the income statement in which the excess is recognised; 	
FRS 103.67(h)	<p>m) a description of the factors that contributed to a cost that results in the recognition of goodwill, including a description of each intangible asset that was not recognised separately from goodwill and an explanation of why the intangible asset's fair value could not be measured reliably;</p>	
FRS 103.67(h)	<p>n) a description of the nature of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost, recognised in profit or loss in accordance with paragraph 56 of FRS 103;</p>	
FRS 103.67(i)	<p>o) if practicable, the amount of the acquiree's profit or loss since the acquisition date included in the acquirer's profit or loss for the period; and</p>	
FRS 103.67(i)	<p>p) if it is impracticable to disclose the amount of the acquiree's profit or loss since the acquisition date included in the acquirer's profit or loss for the period:</p> <ul style="list-style-type: none"> i) that fact; and ii) an explanation of why this is the case. 	
FRS 103.69	<p>If the initial accounting for a business combination that was effected during the period has been determined only provisionally as described in paragraph 62 of FRS 103, the entity shall disclose:</p> <ul style="list-style-type: none"> a) that fact; and b) an explanation of why this is the case. <p>Where practicable, the following information shall be disclosed:</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 103.70(a)	a) the revenue of the combined entity for the period as though the acquisition date for all business combinations effected during the period had been the beginning of the period; and	
FRS 103.70(b)	b) the profit or loss of the combined entity for the period as though the acquisition date for all business combinations effected during the period had been the beginning of the period.	
FRS 103.70	<p>If disclosure of the information required by paragraphs 70(a) and 70(b) of FRS 103 (see above) would be impracticable, the entity shall disclose:</p> <p>a) that fact; and</p> <p>b) an explanation of why this is the case.</p> <p>Business combinations effected after the balance sheet date</p>	
FRS 103.71	Where practicable, the acquirer shall disclose the information required by paragraphs 67(a) to 67(i) of FRS 103 (see above) for each business combination effected after the balance sheet date but before the financial statements are authorised for issue.	
FRS 103.71	<p>If disclosure of any of the information required by paragraph 71 of FRS 103 (see above) in respect of business combinations effected after the balance sheet date would be impracticable, the entity shall disclose:</p> <p>a) that fact; and</p> <p>b) an explanation of why this is the case.</p> <p>The effect of adjustments recognised that relate to business combinations that were effected in the current or in previous periods</p>	
FRS 103.72	<p>The acquirer shall disclose information that enables users of its financial statements to evaluate the financial effects of gains, losses, error corrections and other adjustments recognised in the current period that relate to business combinations that were effected in the current or in previous periods.</p> <p><i>Note: Paragraph 73 of FRS 103, set out below, specifies the minimum disclosures required to satisfy this requirement.</i></p> <p>The entity shall disclose:</p>	
FRS 103.73(a)	a) the amount, and an explanation, of any gain or loss recognised in the current reporting period that is of such a size, nature or incidence that disclosure is relevant to an understanding of the combined entity's financial performance, and that relates to the identifiable assets acquired or liabilities or contingent liabilities assumed in a business combination that was effected in either the current or a previous period;	
FRS 103.73(b)	b) if the initial accounting for a business combination that was effected in the immediately preceding period was determined only provisionally at the end of that period, the amounts, and explanations, of adjustments to the provisional values recognised during the current period;	
FRS 103.73(c)	c) the information about error corrections required to be disclosed by FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> for any of the acquiree's identifiable assets, liabilities or contingent liabilities, or changes in values assigned to those items, that the acquirer recognises during the current period in accordance with paragraphs 63 and 64 of FRS 103.	
FRS 103.74	<p>Changes in the carrying amount of goodwill</p> <p>The entity shall disclose information that enables users of its financial statements to evaluate changes in the carrying amount of goodwill during the period.</p> <p><i>Note: Paragraph 75 of FRS 103, set out below, specifies the minimum disclosures required to satisfy this requirement.</i></p> <p>The entity shall disclose a reconciliation of the carrying amount of goodwill at the beginning and end of the period, showing separately:</p>	
FRS 103.75(a)	a) the gross amount and accumulated impairment losses at the beginning of the period;	
FRS 103.75(b)	b) additional goodwill recognised during the period, except where that goodwill is included in a disposal group that, on acquisition, meets the criteria to be classified as held for sale in accordance with FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i> ;	
FRS 103.75(c)	c) adjustments resulting from the subsequent recognition of deferred tax assets during the period in accordance with paragraph 65 of FRS 103;	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 103.75(d)	d) goodwill included in a disposal group classified as held for sale in accordance with FRS 105 and goodwill derecognised during the period without having previously been included in a disposal group classified as held for sale;	
FRS 103.75(e)	e) impairment losses recognised during the period in accordance with FRS 36 <i>Impairment of Assets</i> ;	
FRS 103.76	<i>Note: In addition to this requirement, the entity is required to disclose information about the recoverable amount and impairment of goodwill in accordance with FRS 36.</i>	
FRS 103.75(f)	f) net exchange differences arising during the period in accordance with FRS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> ;	
FRS 103.75(g)	g) any other changes in the carrying amount during the period; and	
FRS 103.75(h)	h) the gross amount and accumulated impairment losses at the end of the period.	
	Additional information	
FRS 103.77	If the detailed information specified for disclosure by FRS 103 (as set out above) does not satisfy the objectives set out in paragraphs 66, 72 and 74 of FRS 103, the entity shall disclose such additional information as is necessary to satisfy those objectives.	

FRS 104

Insurance Contracts

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 104, which specifies the financial reporting for insurance contracts by an entity that issues such contracts (described as an insurer). FRS 104 is an interim measure, adopted from IFRS 4, until the IASB completes the second phase of its project on insurance contracts.</i></p> <p><i>An insurance contract is defined as a contract under which one party (the insurer) accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder if a specified uncertain future event (the insured event) adversely affects the policy holder. Refer to Appendix B of FRS 104 for an extended discussion of the definition of an insurance contract, and to paragraphs 2 to 12 of FRS 104 for the specific rules as regards the scope of the Standard.</i></p> <p><i>Note that the Implementation Guidance accompanying FRS 104 clarifies a number of the disclosure requirements, and contains extensive guidance on possible ways to meet the disclosure requirements in paragraphs 36 to 39 of the Standard.</i></p>	
	<p>Exemption from disclosure of comparative information for periods beginning before January 1, 2005</p>	
FRS 104.42	<p>Entities need <u>not</u> apply the disclosure requirements in FRS 104 (set out below) to comparative information that relates to annual periods beginning before January 1, 2005, <u>except</u> for the disclosures required by paragraphs 37(a) and 37(b) of FRS 104 (see below) about accounting policies, and recognised assets, liabilities, income and expense (and cash flows if the direct method is used).</p>	
	<p>Disclosure of non-compliance, on the basis of impracticability, with recognition and measurement rules for comparative information for periods beginning before January 1, 2005</p>	
FRS 104.43	<p>If it is impracticable to apply a particular requirement of paragraphs 10 to 35 of FRS 104 (dealing with unbundling of deposit components, and recognition and measurement) to comparative information that relates to annual periods beginning before January 1, 2005, the entity shall disclose that fact.</p>	
FRS 104.43	<p><i>Note: The Standard notes that applying the liability adequacy test (paragraphs 15 to 19 of FRS 104) to such comparative information might sometimes be impracticable, but it is highly unlikely to be impracticable to apply other requirements of paragraphs 10 to 35 of FRS 104 to such comparative information. FRS 8, Accounting Policies, Changes in Accounting Estimates and Errors, explains the term 'impracticable'.</i></p>	
	<p>Insurance contracts acquired in a business combination or portfolio transfer</p>	
FRS 104.31	<p>To comply with FRS 103 <i>Business Combinations</i>, an insurer shall, at the acquisition date, measure at fair value the insurance liabilities assumed and insurance assets acquired in a business combination. However, an insurer is permitted, but not required, to use an expanded presentation that splits the fair value of acquired insurance contracts into two components:</p> <ol style="list-style-type: none"> a liability measured in accordance with the insurer's accounting policies for insurance contracts that it issues; and an intangible asset, representing the difference between (i) the fair value of the contractual insurance rights acquired and insurance obligations assumed, and (ii) the amount described in (a) above. 	
	<p><i>Notes:</i></p>	
FRS 104.31(b)	<p>1) <i>The subsequent measurement of any intangible asset separately identified in accordance with the alternative permitted under paragraph 31 of FRS 104 (see above) shall be consistent with the measurement of the related insurance liability.</i></p>	
FRS 104.32	<p>2) <i>An insurer acquiring a portfolio of insurance contracts may also use the expanded presentation permitted by paragraph 31 of FRS 104 (see above).</i></p>	
	<p>Discretionary participation features in financial instruments</p>	
FRS 104.35(b)	<p>Where the entity is the issuer of a financial instrument that contains a discretionary participation feature as well as a guaranteed element, in applying the rules set out in paragraph 35 of FRS 104, the entity need <u>not</u> disclose the amount that would result from applying FRS 39 to the guaranteed element, nor need it present that amount separately.</p>	
	<p>Explanation of recognised amounts</p>	
FRS 104.36	<p>The insurer shall disclose information that identifies and explains the amounts in its financial statements arising from insurance contracts.</p>	
	<p><i>Note: Paragraph 37 of FRS 104, set out below, specifies the minimum disclosures required to satisfy this requirement.</i></p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
	The insurer shall disclose:	
FRS 104.37(a)	a) its accounting policies for insurance contracts and related assets, liabilities, income and expense;	
FRS 104.37(b)	b) the recognised assets, liabilities, income and expense (and, if it presents its cash flow statement using the direct method, cash flows) arising from insurance contracts;	
FRS 104.37(b)	c) if the insurer is a cedant (i.e. the policy holder under a reinsurance contract):	
	i) gains and losses recognised in profit or loss on buying reinsurance; and	
	ii) if the cedant defers and amortises gains and losses arising on buying reinsurance, the amortisation for the period and the amounts remaining unamortised at the beginning and end of the period;	
FRS 104.37(c)	d) the process used to determine the assumptions that have the greatest effect on the measurement of the recognised amounts described in accordance with paragraph 37(b) of FRS 104 (see above);	
FRS 104.37(c)	<i>Note: When practicable, an insurer shall also give quantified disclosure of those assumptions.</i>	
FRS 104.37(d)	e) the effect of changes in assumptions used to measure insurance assets and insurance liabilities, showing separately the effect of each change that has a material effect on the financial statements; and	
FRS 104.37(e)	f) reconciliations of changes in insurance liabilities, reinsurance assets and, if any, related deferred acquisition costs.	
	Amount, timing and uncertainty of cash flows	
FRS 104.38	The insurer shall disclose information that helps users to understand the amount, timing and uncertainty of future cash flows from insurance contracts.	
	<i>Note: Paragraph 39 of FRS 104, set out below, specifies the minimum disclosures required to satisfy this requirement.</i>	
	The insurer shall disclose:	
FRS 104.39(a)	a) its objectives in managing risks arising from insurance contracts and its policies for mitigating those risks;	
FRS 104.39(b)	b) those terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of the insurer's future cash flows;	
FRS 104.39(c)	c) information about insurance risk (both before and after risk mitigation by reinsurance), including information about:	
	i) the sensitivity of profit or loss and equity to changes in variables that have a material effect on them;	
	ii) concentrations of insurance risk;	
	iii) actual claims compared with previous estimates (i.e. claims development);	
	<i>Notes:</i>	
FRS 104.39(c)	1) <i>The disclosure about claims development shall go back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payments, but need not go back more than ten years. An insurer need not disclose this information for claims for which uncertainty about the amount and timing of claims payments is typically resolved within one year.</i>	
FRS 104.44	2) <i>In applying paragraph 39(c)(iii) of FRS 104, an entity need not disclose information about claims development that occurred earlier than five years before the end of the first financial year in which it applies FRS 104.</i>	
FRS 104.39(d)	d) the information about interest rate risk and credit risk that FRS 32 <i>Financial Instruments: Disclosure and Presentation</i> would require if the insurance contracts were within the scope of FRS 32; and	
FRS 104.39(e)	e) information about exposures to interest rate risk or market risk under embedded derivatives contained in a host insurance contract if the insurer is not required to, and does not, measure the embedded derivatives at fair value.	
	Adoption of Standard before effective date	
FRS 104.41	If the entity has applied FRS 104 for annual periods beginning before January 1, 2005, it shall disclose that fact.	
	Exemption in the first period of application from disclosing information about claims development that occurred before the beginning of the comparative period	
FRS 104.44	In applying paragraph 39(c)(iii) of FRS 104 (see above), if it is impracticable, when an entity first applies FRS 104, to prepare information about claims development that occurred before the beginning of the earliest period for which an entity presents full comparative information that complies with FRS 104, the entity shall disclose that fact.	

FRS 105

Non-current Assets Held for Sale and Discontinued Operations

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 105.17	<p><i>This section of the checklist addresses FRS 105, which prescribes reporting of non-current assets (or disposal groups) held for sale and discontinued operations. The principal issues relate to the accounting treatment for assets held for sale, and the presentation and disclosure of discontinued operations.</i></p> <p><i>Refer to FRS 105 for the definition of discontinued operations and the criteria for classification of non-current assets (and disposal groups) as held for sale.</i></p> <p>Presentation of increase in the present value of costs to sell that arises from the passage of time</p> <p>Any increase in the present value of costs to sell that arises from the passage of time shall be presented in profit or loss as a financing cost.</p> <p><i>Note: A non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. When the sale is expected to occur beyond one year, the entity measures the costs to sell at their present value. This present value may increase solely as result of the passage of time, and paragraph 17 of FRS 105 (see above) specifies that any such increase should be presented as a financing cost.</i></p>	
FRS 105.28	<p>Adjustments to assets that cease to be classified as held for sale</p> <p>Where a non-current asset or disposal group is remeasured in accordance with paragraph 27 of FRS 105 (when it ceases to be classified as held for sale on the basis that it no longer meets the criteria in paragraphs 7 to 9 of FRS 105 for classification as held for sale):</p> <p>a) if the asset is property, plant and equipment or an intangible asset that had been revalued in accordance with FRS 16 <i>Property, Plant and Equipment</i> or FRS 38 <i>Intangible Assets</i> before classification as held for sale, the adjustment to the carrying amount of the asset shall be treated as revaluation increase or decrease;</p> <p>b) otherwise the entity shall:</p> <p>i) include any required adjustment to the carrying amount of the asset as income from continuing operations in the period in which the criteria in paragraphs 7 to 9 of FRS 105 are no longer met; and</p> <p>ii) present that adjustment in the same income statement caption used to present a gain or loss, if any, recognised in accordance with paragraph 37 of FRS 105 (see below).</p>	
FRS 105.42	<p>If either paragraph 26 or paragraph 29 of FRS 105 applies (reclassification of assets or disposal groups that previously were classified as held for sale), an entity shall disclose, in the period of the decision to change the plan to sell the non-current asset (or disposal group), a description of the facts and circumstances leading to the decision and the effect of the decision on the results of operations for the period and any prior periods presented.</p>	
FRS 105.30	<p>Information regarding the financial effects of discontinued operations and disposals of non-current assets (or disposal groups)</p> <p>An entity shall present and disclose information that enables users of the financial statements to evaluate the financial effects of discontinued operations and disposals of non-current assets (or disposal groups).</p> <p><i>Note: Paragraphs 33 to 42 of FRS 105, set out below, specify the minimum disclosures required to satisfy this requirement.</i></p>	
FRS 105.33(a)	<p>Presenting discontinued operations</p> <p>An entity shall disclose a single amount on the face of the income statement comprising the total of (i) the post-tax profit or loss of discontinued operations, and (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation.</p> <p><i>Note: Example 11 in the Implementation Guidance accompanying FRS 105 illustrates how this disclosure requirement might be met.</i></p>	
FRS 105.33(b)	<p>An entity shall provide an analysis of the single amount disclosed in accordance with paragraph 33(a) of FRS 105 (see above) into the following:</p> <p>a) the revenue, expenses and pre-tax profit or loss of discontinued operations;</p> <p>b) the related income tax expense as required by paragraph 81(h) of FRS 12 <i>Income Taxes</i>;</p> <p>c) 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</p> <p>d) the related income tax expense as required by paragraph 81(h) of FRS 12.</p>	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 105.33(b)	<p><i>Note: The analysis required by paragraph 33(b) of FRS 105 (see above) may be presented in the notes or on the face of the income statement. If it is presented on the face of the income statement, it shall be presented in a section identified as relating to discontinued operations, i.e. 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 of FRS 105).</i></p>	
FRS 105.33(c)	<p>An entity <u>shall</u> disclose the net cash flows attributable to the operating, investing and financing activities of discontinued operations.</p> <p><i>Note: The disclosures required by paragraph 33(c) of FRS 105 (see above) may be presented either in the notes or on the face of 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 of FRS 105).</i></p>	
FRS 105.34	<p>The entity shall re-present the disclosures in paragraph 33 of FRS 105 (see above) for prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the balance sheet date for the latest period presented.</p>	
FRS 105.35	<p>Adjustments in the current period to amounts previously presented in discontinued operations that are directly related to the disposal of a discontinued operation in a prior period shall be classified separately in discontinued operations.</p>	
FRS 105.35	<p><i>Notes:</i></p> <ol style="list-style-type: none"> 1) <i>The nature and amount of such adjustments shall be disclosed.</i> 2) <i>Examples of circumstances in which these adjustments may arise include the following:</i> <ul style="list-style-type: none"> • <i>the resolution of uncertainties that arise from the terms of the disposal transaction, such as the resolution of purchase price adjustments and indemnification issues with the purchaser.</i> • <i>the resolution of uncertainties that arise from and are directly related to the operations of the component before its disposal, such as environmental and product warranty obligations retained by the seller.</i> • <i>the settlement of employee benefit plan obligations, provided that the settlement is directly related to the disposal transaction.</i> 	
FRS 105.36	<p>If an entity ceases to classify a component of an entity as held for sale:</p> <ol style="list-style-type: none"> a) the results of operations of the component previously presented in discontinued operations in accordance with paragraphs 33 to 35 of FRS 105 (see above) shall be reclassified and included in income from continuing operations for all periods presented; and b) the amounts for prior periods shall be described as having been re-presented. <p>Gains or losses relating to continuing operations</p>	
FRS 105.37	<p>Any gain or loss on the remeasurement of a non-current asset (or disposal group) classified as held for sale that does <u>not</u> meet the definition of a discontinued operation shall be included in profit or loss from continuing operations.</p> <p>Presentation of a non-current asset or disposal group classified as held for sale</p>	
FRS 105.38	<p>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 balance sheet.</p>	
FRS 105.38	<p>The liabilities of a disposal group classified as held for sale shall be presented separately from other liabilities in the balance sheet.</p>	
FRS 105.38	<p>Assets and liabilities classified as held for sale shall <u>not</u> be offset and presented as a single amount.</p>	
FRS 105.38	<p>The major classes of assets and liabilities classified as held for sale shall be separately disclosed either on the face of the balance sheet or in the notes (except as permitted by paragraph 39 of FRS 105).</p>	
FRS 105.35	<p><i>Notes:</i></p> <ol style="list-style-type: none"> 1) <i>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 of FRS 105), disclosure of the major classes of assets and liabilities is <u>not</u> required.</i> 2) <i>Example 12 in the Implementation Guidance accompanying FRS 105 illustrates how the requirements of paragraph 38 of FRS 105 might be met.</i> 	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 105.38	Any cumulative income or expense recognised directly in equity relating to a non-current asset (or disposal group) classified as held for sale shall be presented separately.	
FRS 105.40	An entity <u>shall not</u> reclassify or re-present amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the balance sheets for prior periods to reflect the classification in the balance sheet for the latest period presented.	
	Additional disclosures	
	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:	
FRS 105.41(a)	a) a description of the non-current asset (or disposal group);	
FRS 105.41(b)	b) a description of the facts and circumstances of the sale, or leading to the expected disposal, and the expected manner and timing of that disposal;	
FRS 105.41(c)	c) the gain or loss recognised in accordance with paragraphs 20 to 22 of FRS 105 (impairment losses and reversals) and, if not separately presented on the face of the income statement, the caption in the income statement that includes that gain or loss; and	
FRS 105.41(d)	d) if applicable, the segment in which the non-current asset (or disposal group) is presented in accordance with FRS 14 <i>Segment Reporting</i> .	
	Non-current assets (or disposal groups) meeting the criteria for classification as held for sale after the balance sheet date	
FRS 105.12	When the criteria in paragraphs 7 and 8 of FRS 105 for classification as held for sale are met after the balance sheet date but before the authorisation of the financial statements for issue, the entity shall disclose the information specified in paragraphs 41(a), (b) and (d) of FRS 105 (see above) in the notes to the financial statements.	
FRS 105.12	<i>Note: If the criteria in paragraphs 7 and 8 of FRS 105 are met after the balance sheet date, an entity shall not classify a non-current asset (or disposal group) as held for sale in those financial statements when issued.</i>	
	Disposal groups that are to be abandoned	
FRS 105.13	If a disposal group to be abandoned meets the criteria for identification of a discontinued operation in paragraphs 32(a) to 32(c) of FRS 105, the entity shall present the results and cash flows of the disposal group as discontinued operations in accordance with paragraphs 33 and 34 of FRS 105 (see above) at the date on which it ceases to be used.	
FRS 105.13	<i>Note: 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. 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. Nevertheless, where a disposal group to be abandoned meets the criteria for a discontinued operation, its results and cash flows are included within the results and cash flows of discontinued operations at the date on which it ceases to be used. Example 9 included in the Implementation Guidance accompanying FRS 105 illustrates this principle.</i>	
	Adoption of Standard before effective date	
FRS 105.44	If the entity has applied FRS 105 for annual periods beginning before January 1, 2005, it shall disclose that fact.	

FRS 106

Exploration for and Evaluation of Mineral Resources [effective January 1, 2006]

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses FRS 106 which applies to expenditures incurred by an entity in connection with the search for mineral resources. FRS 106 is effective for accounting periods beginning on or after January 1, 2006, but earlier application is encouraged.</i></p> <p><i>This is an interim standard. Its principal objective is to limit the need for entities adopting FRSs to change their existing accounting policies for exploration and evaluation assets, pending finalisation of a future comprehensive Standard on this topic. FRS 106 provides temporary relief for entities involved in extractive activities from applying the more rigorous requirements of FRS 8, Accounting Policies, Changes in Accounting Estimates and Errors, in determining their accounting policies.</i></p> <p><i>If an entity adopts FRS 106 for a period beginning before January 1, 2006, that fact should be disclosed. For entities that choose to wait until January 1, 2006 to adopt the Standard, paragraph 30 of FRS 8, Accounting Policies, Changes in Accounting Estimates and Errors, requires the entity to disclose that fact in financial statements issued for earlier periods and, if estimable, the expected impact in the period of initial application.</i></p>	
	<p>Classification of exploration and evaluation assets</p>	
FRS 106.15	An entity shall classify exploration and evaluation assets as tangible or intangible according to the nature of the assets acquired, and apply the classification consistently.	
FRS 106.16	<p><i>Note: Some exploration and evaluation assets are treated as intangible (e.g. drilling rights), whereas other are tangible (e.g. vehicles and drilling rigs). To the extent that a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is part of the cost of the intangible asset. However, using a tangible asset to develop an intangible asset does not change a tangible asset into an intangible asset.</i></p>	
	<p>Reclassification of exploration and evaluation assets</p>	
FRS 106.17	An exploration and evaluation asset shall no longer be classified as such when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.	
	<p><i>Note: Exploration and evaluation assets shall be assessed for impairment, and any impairment loss recognised, before reclassification.</i></p>	
	<p>Impairment</p>	
FRS 106.18	An entity shall present and disclose any impairment loss recognised in respect of exploration and evaluation assets in accordance with FRS 36 <i>Impairment of Assets</i> .	
	<p>Disclosure of information regarding amounts recognised arising from the exploration for and evaluation of mineral resources</p>	
FRS 106.23	An entity shall disclose information that identifies and explains the amounts recognised in its financial statements arising from the exploration for and evaluation of mineral resources.	
	<p><i>Note: Paragraphs 24 and 25 of FRS 106, set out below, specify the minimum disclosures required to satisfy this requirement.</i></p>	
	An entity shall disclose:	
FRS 106.24(a)	a) its accounting policies for exploration and evaluation expenditures including the recognition of exploration and evaluation assets; and	
FRS 106.24(b)	b) the amounts of assets, liabilities, income and expense and operating and investing cash flows arising from the exploration for and evaluation of mineral resources.	
FRS 106.25	The entity shall treat exploration and evaluation assets as a separate class of assets and make the disclosures required by either FRS 16 <i>Property, Plant and Equipment</i> , or FRS 38 <i>Intangible Assets</i> , consistent with how the assets are classified.	
	<p>Adoption before the effective date of the Standard</p>	
FRS 106.26	If the entity has applied FRS 106 for annual periods beginning before January 1, 2006, it shall disclose that fact.	

Reference	Presentation/disclosure requirement	Yes/No/NA
FRS 106.27	<p data-bbox="308 331 1340 383">Disclosure of exemption from applying impairment rules to comparative information that relates to periods beginning before January 1, 2006</p> <p data-bbox="308 409 1340 483">If it is impracticable to apply a particular requirement of paragraph 18 of FRS 106 (recognition and measurement of impairment) to comparative information that relates to annual periods beginning before January 1, 2006, the entity shall disclose that fact.</p> <p data-bbox="308 510 1340 674"><i>Note: The general requirement as regards impairment testing on the adoption of FRS 106 is that entities recognising exploration and evaluation assets should determine whether there were any facts and circumstances indicating impairment in prior periods. Any identified impairment should generally be recognised retrospectively. However, where it is impracticable to apply the impairment rules to comparative information that related to an annual period beginning before January 1, 2006, the rules need not be applied retrospectively, provided that the entity discloses that fact. FRS 8, Accounting Policies, Changes in Accounting Estimates and Errors, explains the term 'impracticable'.</i></p>	

INT FRS 27 Evaluating the Substance of Transactions involving the Legal Form of a Lease

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses INT FRS 27. Not all transactions that involve the legal form of a lease will fall within the definition of a lease for the purposes of FRS 17, Leases. In some cases, such transactions may be designed to achieve a particular tax effect, which is shared between the parties, rather than conveying the right to use an asset. INT FRS 27 addresses issues that may arise when an entity enters into a transaction or a series of structured transactions with an unrelated party or parties that involves the legal form of a lease.</i></p>	
INT FRS 27.10	<p>All aspects of an arrangement involving the legal form of a lease but that does not, in substance, involve a lease under FRS 17 <i>Leases</i> (as determined using the principles set out in INT FRS 27) shall be considered in determining the appropriate disclosures that are necessary to understand the arrangement and the accounting treatment adopted.</p>	
	<p>An entity shall disclose the following in each period that an arrangement exists that involves the legal form of a lease but that does not, in substance, involve a lease under FRS 17 (as determined using the principles set out in INT FRS 27):</p>	
INT FRS 27.10(a)	<p>a) a description of the arrangement, including:</p> <ul style="list-style-type: none"> i) the underlying asset and any restrictions on its use; ii) the life and other significant terms of the arrangement; and iii) the transactions that are linked together, including any options ;and 	
INT FRS 27.10(b)	<p>b) the accounting treatment applied to any fee received, the amount recognised as income in the period, and the line item of the income statement in which it is included.</p>	
	<p><i>Notes:</i></p>	
INT FRS 27.11	<p>1) <i>The disclosures required in accordance with paragraph 10 of INT FRS 27 (see above) should be provided individually for each arrangement or in aggregate for each class of arrangement. A class is a grouping of arrangements with underlying assets of a similar nature (e.g. power plants).</i></p>	
INT FRS 27.9	<p>2) <i>Any fee that the entity (as a lessor) might receive from the Investor (which may be the mechanism used by the Investor to share a tax advantage with the entity), shall be presented in the income statement based on its economic substance and nature.</i></p>	

INT FRS 29 Disclosure – Service Concession Arrangements

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses INT FRS 27, which deals with what information should be disclosed in the notes in the financial statements of a Concession Operator and a Concession Provider involved in a service concession arrangement. Under such arrangements, an entity (the Concession Operator) may enter into an arrangement with another entity (the Concession Provider) to provide services that give the public access to major economic and social facilities. The Concession Provider may be a public or private sector entity, including a governmental body. Examples of service concession arrangements involve water treatment and supply facilities, motorways, car parks, tunnels, bridges, airports and telecommunication networks. Examples of arrangements that are not service concession arrangements include an entity outsourcing the operation of its internal services (e.g. employee cafeteria, building maintenance, and accounting or information technology functions).</i></p>	
INT FRS 29.6	All aspects of a service concession arrangement shall be considered in determining the appropriate disclosures in the notes.	
	A Concession Operator and a Concession Provider shall disclose the following in each period:	
INT FRS 29.6(a)	a) a description of the arrangement;	
INT FRS 29.6(b)	b) significant terms of the arrangement that may affect the amount, timing and certainty of future cash flows (e.g. the period of the concession, re-pricing dates and the basis upon which re-pricing or re-negotiation is determined);	
INT FRS 29.6(c)	c) the nature and extent (e.g. quantity, time period or amount as appropriate) of: <ul style="list-style-type: none"> i) rights to use specified assets; ii) obligations to provide or rights to expect provision of services; iii) obligations to acquire or build items of property, plant and equipment; iv) obligations to deliver or rights to receive specified assets at the end of the concession period; v) renewal and termination options; and vi) other rights and obligations (e.g. major overhauls); and 	
INT FRS 29.6(d)	d) changes in the arrangement occurring during the period.	
INT FRS 29.7	<p><i>Note: The disclosures required by paragraph 6 of INT FRS 29 (see above) should be provided individually for each service concession arrangement or in aggregate for each class of service concession arrangements. A class is a grouping of service concession arrangements involving services of a similar nature (e.g. toll collections, telecommunications and water treatment services).</i></p>	

INT FRS 101 Changes in Existing Decommissioning, Restoration and Similar Liabilities
[effective September 1, 2004]

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses INT FRS 101, which contains guidance on accounting for changes in decommissioning, restoration and similar liabilities that have previously been recognised both as part of the cost of an item of property, plant and equipment under FRS 16, Property, Plant and Equipment, and as a provision (liability) under FRS 37, Provisions, Contingent Liabilities and Contingent Assets.</i></p>	
INT FRS 101.6(d)	<p>Separate disclosure of movements in revaluation surplus</p> <p>In complying with FRS 1 <i>Presentation of Financial Statements</i>, which requires disclosure on the face of the statement of changes in equity of each item of income or expense that is recognised directly in equity, any change in a revaluation surplus arising from a change in the liability shall be separately identified and disclosed as such.</p>	
INT FRS 101.6(a)	<p><i>Note: For assets accounted for using the revaluation model under FRS 16, a change in the decommissioning liability (which, under the cost model would be added to the carrying amount of the asset) increases or decreases the revaluation surplus or deficit that has previously been recognised for the asset. Such movements are required to be separately disclosed.</i></p>	
INT FRS 101.9	<p>Adoption of Interpretation before effective date</p> <p>If the entity has applied INT FRS 101 for annual periods beginning before September 1, 2004, it shall disclose that fact.</p>	

INT FRS 104 Determining whether an Arrangement contains a Lease [effective January 1, 2006]

Reference	Presentation/disclosure requirement	Yes/No/NA
INT FRS 104.15(b)	<p><i>This section of the checklist addresses INT FRS 104, the object of which is to provide guidance to assist in determining whether an arrangement is, or contains, a lease. Any arrangement that is determined to involve a lease will fall within the scope of FRS 17, Leases, and will be subject to the presentation and disclosure requirements of that Standard (see relevant section of this checklist).</i></p> <p>Separating payments for the lease from other payments</p> <p>If a purchaser concludes that it is impracticable to separate reliably payments for the lease (i.e. the right to use the asset) from payments for other elements in the same arrangement (e.g. for services and the cost of inputs), in the case of an operating lease:</p> <ol style="list-style-type: none"> all payments under the arrangement shall be treated as lease payments for the purposes of complying with the disclosure requirements of FRS 17; those payments shall be disclosed separately from minimum lease payments of other arrangements that do not include payments for non-lease payments; and the fact that the disclosed payments also include payments for non-lease elements in the arrangement shall be stated. 	
INT FRS 104.13	<p><i>Note: INT FRS 104 requires payments and other consideration to be separated at the inception of the arrangement into those for the lease and those for other elements of the arrangement, on the basis of their relative fair values, unless it is impracticable to separate the payments reliably. The minimum lease payments as defined in paragraph 4 of FRS 17, Leases, include only payments for the lease.</i></p>	
INT FRS 104.16	<p>Adoption of Interpretation before effective date</p> <p>If the entity has applied INT FRS 104 for annual periods beginning before January 1, 2006, it shall disclose that fact.</p>	

INT FRS 105 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds [effective January 1, 2006]

Reference	Presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses INT FRS 105, which deals with the accounting, in the financial statements of the contributor, for interests in decommissioning, restoration and environmental rehabilitation funds established to fund some or all of the costs of decommissioning assets or to undertake environmental rehabilitation.</i></p>	
	<p>Disclosure</p>	
INT FRS 105.11	A contributor shall disclose the nature of its interest in a fund and any restrictions on access to the assets in the fund.	
INT FRS 105.12	When a contributor has an obligation to make potential additional contributions that is not recognised as a liability (see paragraph 10 of INT FRS 105), it shall make the disclosures required by paragraph 86 of FRS 37 (contingent liabilities – see relevant section of this checklist).	
INT FRS 105.13	When a contributor accounts for its interest in the fund in accordance with paragraph 9 of INT FRS 105, it shall make the disclosures required by paragraph 85(c) of FRS 37 (reimbursements – see relevant section of this checklist).	
INT FRS 105.9	<p><i>Note: In the absence of control, joint control or significant influence, paragraph 9 of INT FRS 105 requires that the contributor's right to reimbursement from the fund is accounted for in accordance with the rules for reimbursements set out in FRS 37, Provisions, Contingent Liabilities and Contingent Assets.</i></p>	
	<p>Adoption of Interpretation before effective date</p>	
INT FRS 105.14	If the entity has applied INT FRS 105 for annual periods beginning before January 1, 2006, it shall disclose that fact.	

SGX LISTING MANUAL REQUIREMENTS

Reference	SGX Listing Manual presentation/disclosure requirement	Yes/No/NA
	<p><i>This section of the checklist addresses the disclosure requirements of issuers as prescribed under the SGX Listing Manual.</i></p>	
	<p>General Information</p>	
LM 1207 (1)	The name of the Company's secretary.	
LM 1207 (2)	The address, telephone number, facsimile number and electronic mail address (if any) of the registered office.	
LM 1207 (3)	<i>The address of each office at which a register of securities is kept.</i>	
LM 1207 (4)(a)	<p>a) A review, in as much detail as possible, of the operating and financial performance of the issuer and its principal subsidiaries in the last financial year. Any development subsequent to the release of the issuer's preliminary financial statement, which would materially affect the issuer's operating and financial performance, must be identified.</p>	
	<p><i>Note: That the Council on Corporate Disclosure and Governance ("CCDG") has issued a guide on Operating and Financial Review ("OFR").</i></p>	
LM 1207 (4)(b)	b) An analysis of the business outlook.	
LM 1207 (4)(c)	c) <i>Prospectus-type information relating to the background of directors and key management staff.</i>	
LM 606 (4)(a)	<p><i>Note: Details of past working experience including the specific areas of responsibility, designation, period of employment, a brief description of the employer's business and scale of the operations, and any other relevant information to enable investors to assess the experience of the key persons in the issuers.</i></p>	
LM 1207(5)(e)	<p>a) Disclosure of the nature and financial effect of, and justification for any deviation from prescribed accounting standards, together with the auditors' confirmation of their agreement to the deviation; and</p> <p>b) A statement by the auditors that the deviation is necessary to present "true and fair" financial statements.</p>	
LM 1207 (6)(a)	a) The amount of non-audit fees paid to auditor. If none make an appropriate negative statement.	
LM 1207 (6)(b)	b) Confirmation by the audit committee that it has undertaken a review of all non-audit services provided by the auditors and they would not, in the audit committee's opinion, affect the independence of the auditors.	
LM 1207 (7)	A statement as at the 21 st day after the end of the financial year, showing the direct and deemed interests of each director of the issuer in the issuer's shares and convertible securities.	
LM 1207 (8)	Particulars of material contracts of the issuer and its subsidiaries involving the interests of the chief executive officer, each director or controlling shareholder, other still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year. In the case of a loan, also state: -	
LM 1207 (8)(a)	a) the names of the lender and the borrower;	
LM 1207 (8)(b)	b) the relationship between the lender and the borrower and whether the director or controlling shareholder is the lender or borrower;	
LM 1207 (8)(c)	c) the amount of the loan;	
LM 1207 (8)(d)	d) the interest rate;	
LM 1207 (8)(e)	e) the terms as to payment of interest and repayment of principal; and	
LM 1207 (8)(f)	f) the security provided.	
	If no material contract has been entered into, make an appropriate negative statement.	
LM 1207 (9)	A statement made up to a date not earlier than 1 month from the date of notice of the annual general meeting in the annual report or summary financial statement, whichever is earlier, indicating the date of such statement and setting out:-	
LM 1207 (9)(a)	a) the number of holders of each class of equity securities and the voting rights attaching to each class;	

Reference	SGX Listing Manual presentation/disclosure requirement	Yes/No/NA															
LM 1207 (9)(b)	<p>b) a distribution schedule of each class of equity securities, including convertible securities (such as loan stock, transferable subscription rights and warrants), other than share options referred to in Rule 1207(15) above, setting out the number of holders in the following categories:-</p> <p style="text-align: center;">1 – 999 1000 - 10,000 10,001 - 1,000,000 1,000,001 and above</p>																
LM 1207 (9)(c)	c) the names of the substantial shareholders and their direct and deemed interests as shown in the company's Register of Substantial Shareholders. For deemed interests, the issuer must disclose how such interests are held or derived;																
LM 1207 (9)(d)	d) for each class of equity securities, the names of the 20 largest holders and the number held; and																
LM 1207 (9)(e)	e) the percentage of shareholding held in the hands of public and confirmation that Rule 723 (an issuer must ensure that at least 10% of equity securities excluding preference shares and convertible equity securities, in a class that is listed is at all time held by the public) is complied with.																
	Land and Buildings																
LM 1207(10)	In respect of land and buildings, a breakdown of the value between freehold and leasehold. Where properties have been revalued, to state the portion of the aggregate value of the land and buildings that is based on valuation, and to give the valuation date.																
LM 1207(10)	Where the aggregate values for all properties for development, sale or for investment purposes held by the group represent more than of the value of the consolidated net tangible assets, or contribute more than 15% of the consolidated pre-tax operating profit, the issuer must disclose the following information as a note to the accounts: -																
LM 1207(10)(a)	a) in the case of property held for development and/or sale:																
LM 1207(10)(a)(i)	i) a brief description and the location of the property;																
LM 1207(10)(a)(ii)	ii) if in the course of construction, the stage of completion as at the date of the annual report and the expected completion date;																
LM 1207(10)(a)(iii)	iii) the existing use (e.g. shops, offices, factories, residential, etc);																
LM 1207(10)(a)(iv)	iv) the site and gross floor area of the property; and																
LM 1207(10)(a)(v)	v) the percentage interest in the property.																
LM 1207(10)(b)	b) in the case of property held for investment:																
LM 1207(10)(b)(i)	i) a brief description and the location of the property;																
LM 1207(10)(b)(ii)	ii) the existing use (e.g. shops, offices, factories, residential, etc);																
LM 1207(10)(b)(iii)	iii) whether the property is leasehold or freehold. If leasehold, to state the term of the unexpired lease.																
	Provided that if, in the opinion of the directors of the issuer, the number of such properties is such that compliance with this Rule would result in particulars of excessive length being given, compliance is required only for properties, which in the opinion of the directors are material.																
	Directors' Remuneration																
LM 1207 (11)	Unless the issuer makes disclosure as recommended in the Code, it must disclose the number of its directors whose remuneration falls within the following bands: -																
	<table border="1"> <thead> <tr> <th></th> <th>20X1</th> <th>20X0</th> </tr> </thead> <tbody> <tr> <td>\$500,000 and above</td> <td>N</td> <td>N</td> </tr> <tr> <td>\$250,000 to below \$500,000</td> <td>N</td> <td>N</td> </tr> <tr> <td>Below \$250,000</td> <td>N</td> <td>N</td> </tr> <tr> <td>Total</td> <td>N</td> <td>N</td> </tr> </tbody> </table>		20X1	20X0	\$500,000 and above	N	N	\$250,000 to below \$500,000	N	N	Below \$250,000	N	N	Total	N	N	
	20X1	20X0															
\$500,000 and above	N	N															
\$250,000 to below \$500,000	N	N															
Below \$250,000	N	N															
Total	N	N															

Reference	SGX Listing Manual presentation/disclosure requirement	Yes/No/NA										
LM 1207 (12)	The remuneration of the directors must include all forms of remuneration from the issuer and any of its subsidiaries. In deciding whether an item or benefit is to be included in the remuneration of a director, regard shall be given to the taxability of that item.											
LM 1207 (13)	The value of an item or benefit must be disclosed as the original cost or value of the amount or benefit, and not the taxable value to the recipient.											
LM 1207 (14)	If a person served in the capacity of a director for any part of a financial period, disclosure is required of the person's actual remuneration for the period that the person had served as a director.											
	<i>Note: Similar disclosure requirements for top 5 key executives can be found in CCG Guidance Note 9.2.</i>											
	Employee Share Option Scheme											
LM 1207(15) LM 852(1) LM 852(1)(a)	The issuer shall make the following disclosure in its annual report: a) the names of the members of the Committee administering the scheme;											
LM 852(1)(b)	b) prepare a table of the following participants:-											
LM 852(1)(b)(i)	i) directors of the issuer;											
LM 852(1)(b)(ii)	ii) participants who are controlling shareholders of the issuer and their associates; and											
LM 852(1)(b)(iii)	iii) participants, other than those in (i) and (ii) above, who receive 5% or more of the total number of options available under the scheme;											
	that includes the following information:											
	<table border="1"> <thead> <tr> <th>Name of participant</th> <th>Options granted during the financial year under review (including terms)</th> <th>Aggregate options granted since commencement of scheme to end of financial year under review</th> <th>Aggregate options exercised since commencement of scheme to end of financial year under review</th> <th>Aggregate option outstanding as at end of financial year under review</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Name of participant	Options granted during the financial year under review (including terms)	Aggregate options granted since commencement of scheme to end of financial year under review	Aggregate options exercised since commencement of scheme to end of financial year under review	Aggregate option outstanding as at end of financial year under review						
Name of participant	Options granted during the financial year under review (including terms)	Aggregate options granted since commencement of scheme to end of financial year under review	Aggregate options exercised since commencement of scheme to end of financial year under review	Aggregate option outstanding as at end of financial year under review								
LM 852(1)(c)(i)	c) the names of and number and terms of options granted to each parent company and its subsidiaries director or employee who receives 5% or more of the total number of options available to all directors and employees of the parent company under the scheme, during the financial year under review.											
LM 852(1)(c)(ii)	d) the aggregate number of options granted to parent company directors and employees for the financial year under review, and since the commencement of the scheme to the end of the financial year under review.											
LM 852(1)(d)	e) the number and proportion of options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted.											
	<i>Notes:</i> <i>An associate is:</i> 1. <i>in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:-</i> i) <i>his immediate family;</i> ii) <i>the trustees of any trust of which he or his immediate family is a beneficiary or, in the case if a discretionary trust, is a discretionary object; and</i> iii) <i>any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.</i> 2. <i>in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.</i> <i>Please refer to the additional disclosure requirements in Guidance Note 9.4 of the CCG and CA Section 201(11) and (12).</i>											

Reference	SGX Listing Manual presentation/disclosure requirement	Yes/No/NA			
LM 1207 (16) LM 907	<p>Interested Person Transaction</p> <p>An issuer must disclose the aggregate value of interested person transactions entered into during the financial year under review in its annual report. The name of the interested person and the corresponding aggregate value of the interested person transactions must be presented in the following format: -</p> <table border="1" data-bbox="347 465 1302 676"> <tr> <td data-bbox="347 465 552 676">Name of interested person</td> <td data-bbox="552 465 930 676">Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</td> <td data-bbox="930 465 1302 676">Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</td> </tr> </table>	Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)			
LM 1207 (17) LM 710 (1) LM 710 (2)	<p>Compliance with Code of Corporate Governance and Best Practices Guide</p> <p>An issuer must:</p> <p>a) describe its corporate governance practices with specific reference to the principals of the Code in its annual report. It must disclose any deviation from any guidelines of the Code together with an explanation for such deviation in the annual report; and</p> <p>b) state in its annual report whether and how it has best complied with the section on dealings in securities in the Best Practices Guide.</p>				
LM 708	<p>Chairman's Statements</p> <p>The chairman's statement (or equivalent) in the annual report must provide a balanced and readable summary of the issuer's performance and prospects, and should represent the collective view of the board. If the Chairman's statement does not represent the collective view of the Board, the view of each dissenting director must be disclosed in the annual report.</p>				
LM 713(1) LM 713(2)	<p>Audit Partners</p> <p>a) The issuer must disclose in its annual report the date of appointment and the name of the audit partner in charge of auditing the issuer and its group of companies. The audit partner must not be in charge of more than 5 consecutive audits for a full financial year, the first audit being the financial year beginning on or after January 1, 1997, regardless of the date of the listing. The audit partner may return after 2 years.</p> <p>b) If the listing of an issuer occurs after 5 consecutive audits by the same audit partner in charge, the same audit partner may complete the audit of the financial year in which the issuer lists.</p>				
LM 717 LM 717(1) LM 717(2) LM 718	<p>Other Auditor's Information</p> <p>An issuer must disclose in the annual report the names of the accounting firm(s) for the following:</p> <p>a) Singapore-incorporated subsidiaries and significant associated companies; and</p> <p>b) Significant foreign-incorporated subsidiaries and associated companies.</p> <p><i>Note: A subsidiary or associated company is considered to be significant if its net tangible assets represent 20% or more of the issuer's consolidated net tangible assets or if its pre-tax profits account for 20% or more of the issuer's unconsolidated pre-tax profits.</i></p>				
LM 748 (3) LM 748 (3)(a) LM 748 (3)(a)(i) LM 748 (3)(a)(ii) LM 748 (3)(a)(iii) LM 748 (3)(a)(iv)	<p>Investments funds</p> <p>To disclose the following information:</p> <p>a) a list of all investments with a value greater than 5% of the investment fund's gross assets, and at least the 10 largest investments stating, with comparative figures where relevant:</p> <p>i) a brief description of the business;</p> <p>ii) proportion of share capital owned;</p> <p>iii) cost;</p> <p>iv) directors' valuation and in the case of listed investments, market value;</p>				

Reference	SGX Listing Manual presentation/disclosure requirement	Yes/No/NA
LM 748 (3)(a)(v)	v) dividend cover or underlying earnings;	
LM 748 (3)(a)(vi)	vi) any extraordinary items; and	
LM 748 (3)(a)(vii)	vii) net assets attributable to investments.	
LM 748 (3)(b)	b) an analysis of any provision for diminution in the value of investments, stating for each such investment;	
LM 748 (3)(b)(i)	i) cost	
LM 748 (3)(b)(ii)	ii) provision made; and	
LM 748 (3)(b)(iii)	iii) book value;	
LM 748 (3)(c)	c) an analysis of realised and unrealized surpluses, stating separately profits and losses as between listed and unlisted investments; and	
LM 748 (3)(d)	d) the names of the investment manager and investment adviser, together with an indication of the terms and duration of their appointment and the basis for their remuneration.	
	General Mandate	
LM 920(1)	<i>Note: An issuer may seek a general mandate from shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or business. A general mandate is subject to annual renewal.</i>	
LM 920(1)	The general mandate must be disclosed in the annual report, giving details of the aggregate value of transactions conducted pursuant to the general mandate during the financial year. The disclosure must be in the form set out in Rule 907 above.	

CODE OF CORPORATE GOVERNANCE AND BEST PRACTICES GUIDE REQUIREMENTS

Reference	CCG Report presentation/disclosure requirement	Yes/No/NA
	<p><i>The SGX issued a letter on May 6, 2003, stating the following:</i></p> <p><i>(a) In their annual reports, listed companies should focus on how they have applied the principles of the Code, which embody its spirit, rather than the many individual guidelines. They should, however, disclose and explain any deviation from the guidelines.</i></p> <p><i>(b) It is up to companies to decide how detailed their corporate governance statements need to be. The market will judge the quality of each company's disclosures. Under this approach, SGX will not need to routinely review and query the contents of corporate governance disclosures in companies' annual reports, but may act if it receives a complaint, tip-off or has cause to suspect that a company has not complied with the listing rules or if there is false or misleading disclosure.</i></p>	
	Disclosure requirements	
CCG 1.2	Companies should adopt internal guidelines setting forth matters that require board approval, and specify in their corporate governance disclosures the type of material transactions that require board approval under such guidelines.	
CCG 4.1	Companies should establish a Nominating Committee ("NC") to make recommendations to the Board on all board appointments. The NC should comprise at least three directors, a majority of whom, including the chairman, should be independent. The NC should have written terms of reference that describes the responsibilities of its members, and its membership is disclosed annually.	
CCG 4.3	The NC is also charged with determining annually whether or not a director is independent, bearing in mind the circumstances set forth in paragraph 2.1 and any other salient factors. If the NC determines that a director who has one or more of the relationships mentioned therein is independent, the company should disclose in full the nature of the relationship and bear responsibility for explaining why the director should be considered independent as stated in paragraph 2.2.	
CCG 4.5	Key information regarding directors, such as academic and professional qualifications, shareholding in the company and its subsidiaries, board committees served on (as a member or chairman), date of first appointment as a director, date of last re-election as a director, directorships or chairmanships both present and those held over the preceding three years in other listed companies and other major appointments, should be disclosed in the annual report. In addition, the company's annual disclosure on corporate governance should indicate which directors are executive, non-executive or considered by the NC to be independent. The names of the directors submitted for election or re-election should also be accompanied by such details and information to enable shareholders to make informed decisions.	
CCG 5.3	Every Board should implement a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual director to the effectiveness of the Board. This assessment process should be disclosed annually.	
CCG 9	Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report.	
CCG 9.1	The Board should report to the shareholders each year on the remuneration of directors and at least the top five key executives (who are not also directors) of the company. This annual remuneration report should form part of, or be annexed to the company's annual report of its directors. It should be the main vehicle through which the company reports to shareholders on remuneration matters. The members of the RC should be listed in the report.	
CCG 9.2	The report should set out the names of directors and at least the top five key executives (who are not also directors) earning remuneration, which falls within bands of S\$250,000. There will be no upper limit. Within each band, there will be a breakdown (in percentage terms) of each director's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, and stock options granted and other long-term incentives. Companies are however encouraged, as best practice, to fully disclose the remuneration of each individual director.	
CCG 9.3	For transparency, the report should disclose the same details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$150,000 during the year. This can be done on a no-name basis with clear indication of which director or the CEO the employee is related to. Immediate family members are to mean the spouse, child, adopted child, step-child, brother, sister and parent.	
CCG 9.4	The report should also contain details of employee share schemes to enable their shareholders to assess the benefits and potential cost to the companies. The important terms of the share schemes, including the potential size of grants, methodology of valuing stock options, exercise price of options that were granted as well as outstanding, whether the exercise price was at the market or otherwise on the date of grant, market price on the date of exercise, the vesting schedule, and the justifications for the terms adopted, should be disclosed.	
	<p><i>Note: SGX LM Rule 852 and Singapore Companies Act ("CA") Section 201 (11), (11A), (11B) and (12) on page 197 and 202 of this checklist requires additional disclosures;</i></p>	

Reference	CCDG Report presentation/disclosure requirement	Yes/No/NA
CCG 11.7	The Board should disclose the names of the members of the Audit Committee ("AC"), details of the Committee's activities, the number of Committee meetings held in that year, and the attendance of individual directors at such meetings in the company's annual report.	
	<i>Note: CA Section 201B (9) page 202 of this checklist requires additional disclosures.</i>	
CCG 12.2	The Board should comment on the adequacy of the internal controls in the company's annual report.	

SINGAPORE COMPANIES ACT REQUIREMENTS

Reference	Singapore Companies Act presentation/disclosure requirement	Yes/No/NA
This section of the checklist addresses the disclosure requirements prescribed under Singapore Companies Act, for Singapore incorporated companies.		
General Disclosures		
CA 201(11)	To disclose the following in the directors report where an option has been granted by a company, other than a holding company for which consolidated accounts are required during the period covered by the profit and loss account to take up unissued shares of the company:	
CA 201(11)(b)	a) the number and class of shares in respect of which the option has been granted;	
CA 201(11)(c)	b) the date of expiration of the option;	
CA 201(11)(d)	c) the basis upon which the option may be exercised; and	
CA 201(11)(e)	d) whether the person to whom the option has been granted has any right to participate by virtue of the option in any share issue of any other company.	
CA 201(11A)	Where any of the particulars required by subsection (11) above have been stated in a previous report, they may be stated by reference to that report.	
CA 201(11B)	Where a holding company or any of its subsidiaries has at any time granted to a person an option to have shares issued to him in the company or subsidiary, the name of the corporation in respect of the shares in which the option was granted and the other particulars required under CA Section 201(11) and (12) must be disclosed in the directors report.	
To disclose the following in the directors report:		
CA 201(12)(a)	a) Particulars of shares issued during the period to which the report relates by virtue of the exercise of options to take up unissued shares of the company, whether granted before or during the period.	
CA 201(12)(b)	b) The number and class of unissued shares of the company under option as at the end of the period, the price, or method of fixing the price, of issue of those shares, the date of expiration of the option and the rights, if any, of the persons to whom the options have been granted to participate by virtue of the options in any share issue of any other company.	
CA 201(15)	Every balance-sheet and profit and loss account laid before a company in general meeting before the auditor reports on the accounts (including any consolidated balance-sheet and consolidated profit and loss account annexed to the balance-sheet of a holding company), shall be accompanied, by a statement signed on behalf of the directors by two directors of the company, stating whether in their opinion:	
CA 201(15)(a)	a) the profit and loss account and, where applicable, the consolidated profit and loss account, is or are drawn up to exhibit a true and fair view of the results of the business of the company and, if applicable, of all the companies the accounts of which are dealt with in the consolidated profit and loss account for the period covered by the account or accounts;	
CA 201(15)(b)	b) the balance-sheet and, where applicable, the consolidated balance-sheet is drawn up to exhibit a true and fair view of the state of affairs of the company and, if applicable, of all the companies the affairs of which are dealt with in the consolidated balance-sheet as at the end of that period; and	
CA 201(15)(c)	c) at the date of statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.	
Audit Committee		
CA 201B (9)	The Annual Report should contain disclosure describing the nature and extent of the functions performed by the audit committee pursuant to:	
CA 201B (5)	a) reviewing: <ul style="list-style-type: none"> i) with the auditor, the audit plan; ii) with the auditor, his evaluation of the system of internal accounting controls; iii) with the auditor, his audit report; iv) with the auditor, the assistance given by the company's officers to the auditor; v) the scope and results of the internal audit procedures; and 	

Reference	Singapore Companies Act presentation/disclosure requirement	Yes/No/NA
	<p>vi) the balance sheet and profit and loss account of the company and, if it is a holding company, the consolidated balance sheet and profit and loss account, submitted to it by the company or the holding company, and thereafter to submit them to the directors of the company or the holding company; and</p> <p>b) nominating a person or persons as auditors.</p> <p>together with any other functions as may be agreed to by the audit committee and the board of directors.</p>	

