

# INTERNATIONAL FINANCIAL REPORTING STANDARDS

## Model Financial Statements and Checklist



December 2003

# **INTERNATIONAL FINANCIAL REPORTING STANDARDS**

## **Model Financial Statements and Checklist**

The information in this publication has been written in general terms. It is intended as a guide only and the application of its contents to specific situations will depend on the particular circumstances involved. It cannot be applied to a specific situation without appropriate professional advice. Accordingly, we recommend that readers seek such professional advice regarding their particular circumstances. This publication should not be relied on as a substitute for such professional advice. All offices of Deloitte Touche Tohmatsu would be pleased to advise you.

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## CONTENTS

## Page

Model Financial Statements	5
Presentation and Disclosure Checklist	77

## ABBREVIATIONS

The following abbreviations have been used throughout this checklist:

GAAP	Generally Accepted Accounting Principles
IAS	International Accounting Standard(s)
IASB	International Accounting Standards Board
IASC	International Accounting Standards Committee
IFRIC	International Financial Reporting Interpretations Committee of the IASB
IFRS	International Financial Reporting Standard(s)
SIC	Interpretation issued by the Standing Interpretations Committee of the IASB (predecessor body to the IFRIC)

# INTERNATIONAL FINANCIAL REPORTING STANDARDS

## Model Financial Statements



December 2003

*The model financial statements of International GAAP Holdings Limited are intended to address the presentation and disclosure requirements of International Financial Reporting Standards (IFRS). They also contain additional disclosures that are considered to be best practice, particularly where such disclosures are included in illustrative examples provided with a specific Standard.*

*These model financial statements have been presented without regard to local laws or regulations. Preparers of financial statements will need to ensure that the options selected under IFRS do not conflict with such sources of regulation (e.g. the revaluation of assets is not permitted within certain regimes - but these financial statements illustrate the presentation where the alternative treatment under IAS 16 (Revised 1998), Property, Plant and Equipment is adopted). In addition, local laws or securities regulations may specify disclosures in addition to those required by IFRS (e.g. in relation to directors' remuneration). Preparers of financial statements will consequently need to adapt the model financial statements to comply with such additional local requirements.*

*Suggested disclosures are cross-referenced to the relevant requirements in the disclosure checklist on page 77. References are also provided to the underlying requirements in the texts of the relevant Standards. References are made by IFRS number, followed by the paragraph number e.g. 40.69 refers to paragraph 69 of IAS 40. For those Standards revised since their original issue, the year of the most recent revision is also noted, e.g. 14(r1997).55 refers to paragraph 55 of IAS 14 (Revised 1997).*

*For the purposes of presenting the income statement, statement of changes in equity and cash flow statement - the various alternatives allowed for under IFRS for those primary statements have been illustrated. Preparers should select the alternatives most appropriate to their circumstances.*

<b>CONTENTS</b>	<b>Page</b>
CONSOLIDATED INCOME STATEMENT	
Alt 1 – Expenses analysed by nature	9
Alt 2 – Expenses analysed by function	10
CONSOLIDATED BALANCE SHEET	11
CHANGES IN EQUITY	
Alt 1 – CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES	13
Alt 2 – CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	14
CONSOLIDATED CASH FLOW STATEMENT	
Alt 1 – Direct method	15
Alt 2 – Indirect method	17
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	19
REPORT OF THE AUDITORS	75



## INDEX TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.	General	19
2.	Significant Accounting Policies	19
3.	Revenue	30
4.	Business and Geographical Segments	30
5.	Restructuring Costs	34
6.	Profit from Operations	35
7.	Finance Costs	36
8.	Income from Investments	36
9.	Discontinuing Operations	37
10.	Income Tax Expense	38
11.	Dividends	39
12.	Earnings Per Share	40
13.	Property, Plant and Equipment	42
14.	Investment Property	43
15.	Intangible Assets	44
16.	Goodwill	45
17.	Negative Goodwill	46
18.	Subsidiaries	47
19.	Interests in Associates	48
20.	Joint Ventures	48
21.	Investments	49
22.	Inventories	50
23.	Finance Lease Receivables	51
24.	Other Financial Assets	52
25.	Construction Contracts	53
26.	Share Capital	54
27.	Capital Reserves	54
28.	Revaluation Reserves	55
29.	Hedging and Translation Reserves	56
30.	Accumulated Profits	56
31.	Bank Overdrafts and Loans	57
32.	Convertible Loan Notes	59
33.	Derivative Financial Instruments	59
34.	Deferred Tax	61
35.	Obligations under Finance Leases	62
36.	Other Financial Liabilities	63
37.	Provisions	63
38.	Disposal of Subsidiary	64
39.	Acquisition of Subsidiary	65
40.	Non-Cash Transactions	65
41.	Contingent Liabilities	66
42.	Commitments	66
43.	Operating Lease Arrangements	67
44.	Share Option Scheme	68
45.	Retirement Benefit Plans	70
46.	Events After the Balance Sheet Date	72
47.	Related Party Transactions	72
48.	Approval of Financial Statements	74

Source	Checklist			
1(r1997).7(b) 1(r1997).46(b),(c)	2001,2022 2023(b),(c)	<b>CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003</b>		<b>[Alt 1]</b>
1(r1997).92	8003		<u>NOTES</u>	Year ended 31/12/03 CU'000
1(r1997).46(d),(e)	2023(d),(e)			Year ended 31/12/02 CU'000
1(r1997).75(a)	3002(a)	Revenue	3	1,224,098 869,453
1(r1997).77	3006	Other operating income		10,150 6,745
1(r1997).77	3006	Changes in inventories of finished goods and work in progress		5,446 7,329
1(r1997).77	3006	Raw materials and consumables used		(769,541) (557,328)
1(r1997).77	3006	Staff costs		(247,901) (223,537)
1(r1997).77	3006	Depreciation and amortisation expense		(32,594) (20,135)
1(r1997).77	3006	Other operating expenses		(32,969) (22,645)
8(r1993).16	8046	Restructuring costs	5	(18,300) -
1(r1997).75(b)	3002(b)	Profit from operations	6	138,389 59,882
1(r1997).75(c)	3002(c)	Finance costs	7	(36,680) (32,995)
28(r2000).28	3005	Share of results of associates		12,763 983
1(r1997).75	3003	Income from investments	8	2,938 673
35.39	3004	Profit on disposal of discontinuing operations	9	8,493 -
12(r2002).77	3002(e)	Profit before tax		125,903 28,543
		Income tax expense	10	(19,837) (4,690)
1(r1997).75(h)	3002(h)	Profit after tax		106,066 23,853
		Minority interest		(609) (97)
1(r1997).75(i)	3002(i)	Net profit for the year		105,457 23,756
		<b>Earnings per share</b>	<b>12</b>	
		Including discontinuing operations:		
33.47	3008	Basic		70.3 cents 15.8 cents
33.47	3008	Diluted		42.8 cents 13.9 cents
		Excluding discontinuing operations:		
33.51	3010	Basic		63.2 cents 13.1 cents
33.51	3010	Diluted		38.5 cents 11.4 cents
		<i>Note: The format outlined above aggregates expenses according to their nature.</i>		

Source	Checklist			
1(r1997).7(b) 1(r1997).46(b),(c)	2001,2022 2023(b),(c)	<b>CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003</b>		<b>[Alt 2]</b>
1(r1997).92	8003		<u>NOTES</u>	Year ended 31/12/03 CU'000
1(r1997).46(d),(e)	2023(d),(e)			Year ended 31/12/02 CU'000
1(r1997).75(a)	3002(a)	Revenue	3	1,224,098 869,453
1(r1997).77	3006	Cost of sales		(797,027) (661,851)
		Gross profit		427,071 207,602
1(r1997).77	3006	Other operating income		10,150 6,745
1(r1997).77	3006	Distribution costs		(108,298) (52,688)
1(r1997).77	3006	Administrative expenses		(148,834) (84,053)
1(r1997).77	3006	Other operating expenses		(23,400) (17,724)
8(r1993).16	8046	Restructuring costs	5	(18,300) -
1(r1997).75(b)	3002(b)	Profit from operations	6	138,389 59,882
1(r1997).75(c)	3002(c)	Finance costs	7	(36,680) (32,995)
28(r2000).28	3005	Share of results of associates		12,763 983
1(r1997).75	3003	Income from investments	8	2,938 673
35.39	3004	Profit on disposal of discontinuing operations	9	8,493 -
		Profit before tax		125,903 28,543
12(r2000).77	3002(e)	Income tax expense	10	(19,837) (4,690)
		Profit after tax		106,066 23,853
1(r1997).75(h)	3002(h)	Minority interest		(609) (97)
1(r1997).75(i)	3002(i)	Net profit for the year		105,457 23,756
		<b>Earnings per share</b>	<b>12</b>	
		Including discontinuing operations:		
33.47	3008	Basic		70.3 cents 15.8 cents
33.47	3008	Diluted		42.8 cents 13.9 cents
		Excluding discontinuing operations:		
33.51	3010	Basic		63.2 cents 13.1 cents
33.51	3010	Diluted		38.5 cents 11.4 cents
		<i>Note: The format outlined above aggregates expenses according to their function.</i>		

Source	Checklist				
1(r1997).7(a) 1(r1997).46(b),(c)	2001.2022 2023(b),(c)	<b>CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2003</b>			
1(r1997).92 1(r1997).46(d),(e)	8003 2023(d),(e)		<u>NOTES</u>	<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000
		<b>ASSETS</b>			
1(r1997).53	4006	<b>Non-current assets</b>			
1(r1997).66(a)	4001(a)	Property, plant and equipment	13	659,603	566,842
1(r1997).67	4002	Investment property	14	12,000	11,409
1(r1997).66(b)	4001(b)	Intangible assets	15	26,985	21,294
1(r1997).67	4002	Goodwill	16	1,205	2,538
1(r1997).67	4002	Negative goodwill	17	(773)	(2,455)
28(r2000).28	4004	Interests in associates	19	45,060	12,274
1(r1997).66(c)	4001(c)	Available for sale investments	21	23,543	25,602
1(r1997).67	4002	Finance lease receivables	23	114,937	104,489
12(r2000).69,70	8112	Deferred tax assets	34	2,661	2,800
				<hr/>	<hr/>
				885,221	744,793
				<hr/>	<hr/>
1(r1997).53	4006	<b>Current assets</b>			
1(r1997).66(e)	4001(e)	Inventories	22	117,895	108,698
1(r1997).67	4002	Finance lease receivables	23	54,713	49,674
1(r1997).66(f)	4001(f)	Trade and other receivables	24	134,194	129,780
1(r1997).66(c)	4001(c)	Investments held for trading	21	37,243	29,730
1(r1997).66(g)	4001(g)	Bank balances and cash	24	5,609	1,175
				<hr/>	<hr/>
				349,654	319,057
				<hr/>	<hr/>
		<b>Total assets</b>		1,234,875	1,063,850
				<hr/>	<hr/>

Source	Checklist				
		<b>CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2003 - continued</b>			
			<u>NOTES</u>	<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000
		<b>EQUITY AND LIABILITIES</b>			
1(r1997).66(m)	4001(m)	<b>Capital and reserves</b>			
		Share capital	26	120,000	120,000
		Capital reserves	27	32,919	32,098
		Revaluation reserves	28	95,248	34,591
		Hedging and translation reserves	29	(11,700)	508
		Accumulated profits	30	259,740	159,323
				496,207	346,520
1(r1997).66(l), 27(r2000).26	4001(l), 4005	<b>Minority interest</b>		3,185	2,576
1(r1997).53	4006	<b>Non-current liabilities</b>			
1(r1997).66(k)	4001(k)	Bank loans – due after one year	31	356,353	448,753
1(R1997).67	4002	Convertible loan notes	32	24,327	-
1(r1997).67	4002	Retirement benefit obligation	45	30,196	34,001
12(r2000).69,70	8112	Deferred tax liabilities	34	15,447	5,772
1(r1997).67	4002	Obligations under finance leases – due after one year	35	923	1,244
				427,246	489,770
1(r1997).53	4006	<b>Current liabilities</b>			
1(r1997).66(h)	4001(h)	Trade and other payables	36	141,949	86,291
1(r1997).67	4002	Retirement benefit obligation	45	3,732	4,473
12(r2000).69	8112	Tax liabilities		8,229	1,986
1(r1997).67	4002	Obligations under finance leases – due within one year	35	1,470	1,483
1(r1997).66(k)	4001(k)	Bank overdrafts and loans – due within one year	31	144,307	128,686
1(r1997).66(j)	4001(j)	Provisions	37	8,550	2,065
				308,237	224,984
		<b>Total equity and liabilities</b>		1,234,875	1,063,850

Source	Checklist			
1(r1997).7(c)(ii) 1(r1997).46(b),(c)	2001,2022 2023(b),(c)	<b>CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2003</b> [Alt 1]		
			Year ended <u>31/12/03</u> CU'000	Year ended <u>31/12/02</u> CU'000
1(r1997).46(d),(e)	2023(d),(e)			
1(r1997).86(b)	5001(b)	Revaluation increase/(decrease) on land and buildings	64,709	(4,369)
1(r1997).86(b)	5001(b)	(Deferred tax liability arising) reversal of deferred tax liability on revaluation of land and buildings	(3,684)	320
1(r1997).86(b)	5001(b)	Effect of change in tax rates	(8)	-
1(r1997).86(b)	5001(b)	Increase in fair value of hedging derivatives	1,723	550
1(r1997).86(b)	5001(b)	Increase in fair value of available-for-sale investments	251	201
1(r1997).86(b)	5001(b)	Exchange differences on translation of overseas operations	(12,718)	2,706
1(r1997).86(b)	5001(b)	Net gains/(losses) not recognised in the income statement	50,273	(592)
1(r1997).86(a)	5001(a)	Net profit for the year	105,457	23,756
		Total recognised gains and losses	155,730	23,164
		<i>Note: IAS 1(r1997) requires that the financial statements should include a statement showing either all changes in equity, or changes in equity other than those arising from capital transactions with owners and distributions to owners.</i>		
		<i>The above illustrates an approach which presents those changes in equity that represent gains and losses in a separate component of the financial statements. If this method of presentation is adopted, a reconciliation of the opening and closing balances of share capital, reserves and accumulated profits is required to be provided in the explanatory notes (see notes 26 to 30). An alternative method of presenting changes in equity is illustrated on the next page.</i>		

Source	Checklist							
1(r1997).7(c)(i) 1(r1997).46(b),(c)	2001,2022 2023(b),(c)	<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2003</b> <span>[Alt 2]</span>						
1(r1997).74(b) 1(r1997).46(d),(e) 1(1997).86(e),(f)	8106 2023(d),(e) 5002(b),(c)		Share capital CU'000	Capital reserves CU'000	Revaluation reserves CU'000	Hedging and translation reserves CU'000	Accumulated profits CU'000	Total CU'000
		Balance at 1 January 2002	120,000	32,098	38,439	(1,853)	143,607	332,291
16(r1998).64(f)	5003(c)	Revaluation decrease on land and buildings	-	-	(4,369)	-	-	(4,369)
12(r2000).81(a)	5003(b)	Reversal of deferred tax liability on revaluation of land and buildings	-	-	320	-	-	320
39(r2000).169(c)	8134(a)	Increase in fair value of hedging derivatives	-	-	-	550	-	550
39(r2000).170(a)	5003(e)	Increase in fair value of available-for-sale investments	-	-	201	-	-	201
21(r1993).42(b)	5003(f)	Exchange differences arising on translation of overseas operations	-	-	-	2,706	-	2,706
1(r1997).86(b)	5001(b)	Net gains/(losses) not recognised in the income statement	-	-	(3,848)	3,256	-	(592)
39(r2000).169(c) 1(r1997).86(a) 1(r1997).86(d)	8134(a) 5001(a) 5002(a)	Transfer to income Net profit for the year Dividends	- - -	- - -	- - -	(895) - -	- 23,756 (8,040)	(895) 23,756 (8,040)
		Balance at 1 January 2003	120,000	32,098	34,591	508	159,323	346,520
16(r1998).64(f)	5003(c)	Revaluation increase on land and buildings	-	-	64,709	-	-	64,709
12(r2000).81(a)	5003(b)	Deferred tax liability arising on revaluation of land and buildings	-	-	(3,684)	-	-	(3,684)
12(r2000).81(a)	5003(b)	Effect of change in tax rate	-	-	(8)	-	-	(8)
39(r2000).169(c)	8134(a)	Increase in fair value of hedging derivatives	-	-	-	1,723	-	1,723
39(r2000).170(a)	5003(e)	Increase in fair value of available for-sale investments	-	-	251	-	-	251
21(r1993).42(b)	5003(f)	Exchange differences arising on translation of overseas operations	-	-	-	(12,718)	-	(12,718)
1(r1997).86(b)	5001(b)	Net gains/(losses) not recognised in the income statement	-	-	61,268	(10,995)	-	50,273
1(r1997).86(f)	5002(c)	Recognition of equity component of convertible loan notes	-	995	-	-	-	995
12(r2000).81(a)	5003(b)	Deferred tax liability on recognition of equity component of convertible loan notes	-	(174)	-	-	-	(174)
39(r2000).170(a)	5003(e)	Released on disposal of available-for-sale investments	-	-	(611)	-	-	(611)
39(r2000).169(c)	8134(b)	Transfer to income	-	-	-	(995)	-	(995)
39(r2000).169(c)	8134(c)	Transfer to inventories	-	-	-	(218)	-	(218)
1(r1997).86(a)	5001(a)	Net profit for the year	-	-	-	-	105,457	105,457
1(r1997).86(d)	5002(a)	Dividends	-	-	-	-	(5,040)	(5,040)
		Balance at 31 December 2003	120,000	32,919	95,248	(11,700)	259,740	496,207
		<i>Note: See previous page for alternative method of presenting changes in equity.</i>						
		<i>The above layout combines reserves of a similar nature for ease of presentation. However, IAS 1(r1997) requires a reconciliation of the opening and closing position on each reserve separately. Therefore, if such a combined presentation is adopted for the purposes of the statement of changes in equity, further details should be presented in the notes to the financial statements (see notes 26 to 30).</i>						

Source	Checklist			
1(r1997).7(d) 1(r1997).46(b),(c)	2001,2022 2023(b),(c)	<b>CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003</b>		<b>[Alt 1]</b>
1(r1997).92	8003		<u>NOTES</u>	<u>Year ended 31/12/03 CU'000</u>
1(r1997).46(d),(e)	2023(d),(e)			<u>Year ended 31/12/02 CU'000</u>
7(r1992).10	6002	OPERATING ACTIVITIES		
7(r1992).18(a)	6003(a)	Cash receipts from customers	1,227,751	854,919
		Cash paid to suppliers and employees	(1,042,076)	(816,963)
		Cash generated by operations	185,675	37,956
7(r1992).35	6008	Income taxes paid	(5,553)	(2,129)
7(r1992).31	6006	Interest paid	(42,309)	(32,995)
		NET CASH FROM OPERATING ACTIVITIES	137,813	2,832
7(r1992).10	6002	INVESTING ACTIVITIES		
7(r1992).31	6006	Interest received	1,202	368
7(r1992).31	6006	Dividends received from associate	11,777	2,725
7(r1992).31	6006	Dividends received from trading investments	2,299	349
		Proceeds on disposal of trading investments	25,230	-
		Proceeds on disposal of available-for-sale investments	2,416	-
7(r1992).39	6010	Disposal of subsidiary	38 6,517	-
		Proceeds on disposal of property, plant and equipment	4,983	4,500
		Purchases of property, plant and equipment	(58,675)	(28,198)
		Acquisition of investment in an associate	(31,800)	-
		Purchases of trading investments	(34,023)	(15,328)
		Purchases of patents and trademarks	(3,835)	(18,617)
		Expenditure on product development	(3,600)	-
7(r1992).39	6010	Acquisition of subsidiary	39 (3,670)	-
		NET CASH USED IN INVESTING ACTIVITIES	(81,179)	(54,201)



Source	Checklist			
		<b>CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>		
			<b>[Alt 1]</b>	
			<u>NOTES</u>	
			Year ended <u>31/12/03</u> CU'000	Year ended <u>31/12/02</u> CU'000
7(r1992).10	6002	FINANCING ACTIVITIES		
7(r1992).31	6006	Dividends paid	(5,040)	(8,040)
		Repayments of borrowings	(86,777)	-
		Repayments of obligations under finance leases	(1,897)	(1,932)
		Proceeds on issue of convertible loan notes	25,000	-
		New bank loans raised	-	72,265
		Increase (decrease) in bank overdrafts	16,396	(16,349)
		NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(52,318)	45,944
		NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,316	(5,425)
		CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,175	5,938
		Effect of foreign exchange rate changes	118	662
		CASH AND CASH EQUIVALENTS AT END OF YEAR		
7(r1992).45	6014	Bank balances and cash	5,609	1,175
		<i>Note: The above illustrates the direct method of reporting cash flows from operating activities.</i>		

Source	Checklist			
1(r1997).7(d) 1(r1997).46(b),(c)	2002.2022 2023(b),(c)	<b>CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003</b>		
			<b>[Alt 2]</b>	
1(r1997).92	8003	<u>NOTES</u>	Year ended <u>31/12/03</u> CU'000	Year ended <u>31/12/02</u> CU'000
1(r1997).46(d),(e) 7(r1992).10	2023(d),(e) 6002	OPERATING ACTIVITIES		
7(r1992).18(b)	6003(b)	Profit from operations	138,389	59,882
		Adjustments for:		
		Gain on derivatives	(995)	-
		Depreciation of property, plant and equipment	29,517	19,042
		Impairment loss on fixtures and equipment	4,130	-
		Amortisation of intangible assets	2,614	846
		Amortisation of goodwill	463	247
		Negative goodwill released to income	(1,682)	(2,210)
		(Increase)/decrease in fair value of investment property	(591)	49
		Gain on disposal of property, plant and equipment	(4,184)	(500)
		Increase/(decrease) in provisions	6,485	(2,320)
		Operating cash flows before movements in working capital	174,146	75,036
		Increase in inventories	(21,002)	(28,960)
		Decrease/(increase) in receivables	2,319	(31,993)
		Increase in payables	30,212	23,873
7(r1992).35 7(r1992).31	6008 6006	Cash generated by operations Income taxes paid Interest paid	185,675 (5,553) (42,309)	37,956 (2,129) (32,995)
		NET CASH FROM OPERATING ACTIVITIES	137,813	2,832
7(r1992).10	6002	INVESTING ACTIVITIES		
7(r1992).31 7(r1992).31 7(r1992).31	6006 6006 6006	Interest received Dividends received from associates Dividends received from trading investments	1,202 11,777 2,299	368 2,725 349
		Proceeds on disposal of trading investments	25,230	-
		Proceeds on disposal of available-for-sale investments	2,416	-
7(r1992).39	6010	Disposal of subsidiary Proceeds on disposal of property, plant and equipment	38 6,517 4,983	- - 4,500
		Purchases of property, plant and equipment	(58,675)	(28,198)
		Acquisition of investment in an associate	(31,800)	-
		Purchases of trading investments	(34,023)	(15,328)
		Purchases of patents and trademarks	(3,835)	(18,617)
		Expenditure on product development	(3,600)	-
7(r1992).39	6010	Acquisition of subsidiary	39 (3,670)	-
		NET CASH USED IN INVESTING ACTIVITIES	(81,179)	(54,201)

Source	Checklist			
		<b>CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>		
			<b>[Alt 2]</b>	
			<u>NOTES</u>	
			Year ended <u>31/12/03</u> CU'000	Year ended <u>31/12/02</u> CU'000
7(r1992).10	6002	FINANCING ACTIVITIES		
7(r1992).31	6006	Dividends paid	(5,040)	(8,040)
		Repayments of borrowings	(86,777)	-
		Repayments of obligations under finance leases	(1,897)	(1,932)
		Proceeds on issue of convertible loan notes	25,000	-
		New bank loans raised	-	72,265
		Increase (decrease) in bank overdrafts	16,396	(16,349)
			<hr/>	<hr/>
		NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(52,318)	45,944
			<hr/>	<hr/>
		NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,316	(5,425)
		CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,175	5,938
		Effect of foreign exchange rate changes	118	662
			<hr/>	<hr/>
7(r1992).45	6014	CASH AND CASH EQUIVALENTS AT END OF YEAR		
		Bank balances and cash	5,609	1,175
			<hr/>	<hr/>
		<i>Note: The above illustrates the indirect method of reporting cash flows from operating activities.</i>		

Source	Checklist	
1(r1997).7(e) 1(r1997).46(b),(c)	2001,2022 2023(b),(c)	<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003</b>
		<b>1. GENERAL</b>
1(r1997).102(a)	8001(a)	International GAAP Holdings Limited (the Company) is a limited company incorporated in A Land. The principal activities of the Company and its subsidiaries (the Group) are described in note 4.
21(r1993).43 SIC19.10(c)	2009 2010	These financial statements are presented in Currency Units (CU) since that is the currency in which the majority of the Group's transactions are denominated.
		<b>2. SIGNIFICANT ACCOUNTING POLICIES</b>
1(r1997).11	2003	The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).
1(r1997).91(a) 1(r1997).97	7001 7002	<p>The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments. The principal accounting policies adopted are set out below.</p> <p><b>Basis of Consolidation</b></p> <p>The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.</p> <p>On acquisition, the assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess (deficiency) of the cost of acquisition over (below) the fair values of the identifiable net assets acquired is recognised as goodwill (negative goodwill). The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.</p> <p>The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.</p> <p>Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.</p> <p>All significant intercompany transactions and balances between group enterprises are eliminated on consolidation.</p>
28(r2000).27(b)	7003(b)	<p><b>Interests in Associates</b></p> <p>An associate is an enterprise over which the Group is in a position to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the investee.</p>

Source	Checklist
	<p><b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b></p> <p>The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Interests in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Any excess (deficiency) of the cost of acquisition over (below) the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill (negative goodwill).</p> <p>Where a group enterprise transacts with an associate of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associate, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred.</p> <p><b>Interests in Joint Ventures</b></p> <p>A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control.</p> <p>Where a group company undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant company and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.</p> <p>Joint venture arrangements which involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation – the Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.</p> <p>Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred.</p> <p><b>Goodwill</b></p> <p>Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset and amortised on a straight-line basis over its estimated useful life.</p>
2(r1998).88(a),(b), (c)	7003(c)

Source	Checklist	
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>
22(r1998).91(b)	7003(d)	<p>Goodwill arising on the acquisition of an associate is included within the carrying amount of the associate. Goodwill arising on the acquisition of subsidiaries and jointly controlled entities is presented separately in the balance sheet.</p> <p>On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.</p> <p><b>Negative Goodwill</b></p> <p>Negative goodwill represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition over the cost of acquisition. Negative goodwill is released to income based on an analysis of the circumstances from which the balance resulted. To the extent that the negative goodwill is attributable to losses or expenses anticipated at the date of acquisition, it is released to income in the period in which those losses or expenses arise. The remaining negative goodwill is recognised as income on a straight-line basis over the remaining average useful life of the identifiable acquired depreciable assets. To the extent that such negative goodwill exceeds the aggregate fair value of the acquired identifiable non-monetary assets, it is recognised in income immediately.</p> <p>Negative goodwill arising on the acquisition of an associate is deducted from the carrying amount of that associate. Negative goodwill arising on the acquisition of subsidiaries and jointly controlled entities is presented separately in the balance sheet as a deduction from assets.</p>
18(r1993).35(a)	7003(f)	<p><b>Revenue Recognition</b></p> <p>Sales of goods are recognised when goods are delivered and title has passed.</p> <p>Revenue from construction contracts are recognised in accordance with the Group's accounting policy on construction contracts (see below).</p> <p>Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.</p> <p>Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.</p>
11(r1993).39(b),(c)	7003(g)	<p><b>Construction Contracts</b></p> <p>Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.</p> <p>Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.</p>

Source	Checklist
	<p><b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b></p> <p>When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.</p> <p><b>Leasing</b></p> <p>Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.</p> <p><b><i>The Group as lessor</i></b></p> <p>Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.</p> <p>Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.</p> <p><b><i>The Group as lessee</i></b></p> <p>Assets held under finance leases are recognised as assets of the Group at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below).</p> <p>Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.</p> <p><b>Foreign Currencies</b></p> <p>Transactions in currencies other than Currency Units are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on exchange are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value is recognised directly to equity.</p> <p>In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts and options (see below for details of the Group's accounting policies in respect of such derivative financial instruments).</p>

Source	Checklist	
		<p><b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b></p> <p>On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.</p> <p>The financial statements of foreign subsidiaries and associates that report in the currency of a hyperinflationary economy are restated in terms of the measuring unit current at the balance sheet date before they are translated into Currency Units.</p>
21(r1993).45	7003(e)	Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.
23(r1993).29(a)	7003(h)	<p><b>Borrowing Costs</b></p> <p>Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.</p> <p>All other borrowing costs are recognised in net profit or loss in the period in which they are incurred.</p>
20.39(a)	7003(i)	<p><b>Government Grants</b></p> <p>Government grants towards staff re-training costs are recognised as income over the periods necessary to match them with the related costs and are deducted in reporting the related expense.</p> <p><b>Retirement Benefit Costs</b></p> <p>Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.</p>
19(r2002).120(a)	7003(j)	For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the Group's defined benefit obligation and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.



Source	Checklist
	<p><b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b></p> <p>The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.</p> <p><b>Taxation</b></p> <p>Income tax expense represents the sum of the tax currently payable and deferred tax.</p> <p>The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.</p> <p>Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.</p> <p>Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.</p> <p>The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.</p> <p>Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.</p> <p>Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.</p>

Source	Checklist				
16(r1998).60 (a), (b),(c)	<p><b>7003(l)</b></p> <p><b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b></p> <p><b>Property, Plant and Equipment</b></p> <p>Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their revalued amounts, being the fair value on the basis of their existing use at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.</p> <p>Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.</p> <p>Depreciation on revalued buildings is charged to income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to accumulated profits.</p> <p>Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.</p> <p>Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.</p> <p>Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:</p> <table> <tr> <td>Buildings</td><td>4%</td></tr> <tr> <td>Fixtures and equipment</td><td>10% - 30%</td></tr> </table> <p>Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.</p> <p>The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.</p>	Buildings	4%	Fixtures and equipment	10% - 30%
Buildings	4%				
Fixtures and equipment	10% - 30%				

Source	Checklist
	<p><b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b></p> <p><b>Investment Property</b></p> <p>Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in net profit or loss for the period in which they arise.</p>
38.107	<p>7003(n)</p> <p><b>Internally-generated Intangible Assets - Research and Development Expenditure</b></p> <p>Expenditure on research activities is recognised as an expense in the period in which it is incurred.</p> <p>An internally-generated intangible asset arising from the Group's e-business development is recognised only if all of the following conditions are met:</p> <ul style="list-style-type: none"> <li>■ an asset is created that can be identified (such as software and new processes);</li> <li>■ it is probable that the asset created will generate future economic benefits; and</li> <li>■ the development cost of the asset can be measured reliably.</li> </ul> <p>Internally-generated intangible assets are amortised on a straight-line basis over their useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.</p>
38.107	<p>7003(n)</p> <p><b>Patents and Trademarks</b></p> <p>Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.</p> <p><b>Impairment</b></p> <p>At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.</p> <p>Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.</p>

Source	Checklist
	<p><b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b></p> <p>If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.</p> <p>Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.</p>
2(r1993).34(a)	<p>7003(o) <b>Inventories</b></p> <p>Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.</p>
32(r1998).47(b)	<p>7003(p) <b>Financial Instruments</b></p> <p>Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.</p> <p><b>Trade receivables</b></p> <p>Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.</p> <p><b>Investments</b></p> <p>Investments are recognised on a trade-date basis and are initially measured at cost, including transaction costs.</p> <p>At subsequent reporting dates, debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost, less any impairment loss recognised to reflect irrecoverable amounts. The annual amortisation of any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognised in each period represents a constant yield on the investment.</p>

Source	Checklist
39(r2000).167(b)	<p><b>7003(p)</b></p> <p><b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b></p> <p>Investments other than held-to-maturity debt securities are classified as either held-for-trading or available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.</p> <p><b><i>Financial Liability and Equity</i></b></p> <p>Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Debt instruments issued which carry a right to convert to equity that is dependent on the outcome of uncertainties beyond the control of both the Group and the holder are classified as liabilities except where the possibility of non conversion is remote.</p> <p><b><i>Bank borrowings</i></b></p> <p>Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis to the profit and loss account using effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.</p> <p><b><i>Convertible loan notes</i></b></p> <p>Convertible loan notes are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible loan notes and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Group, is included in equity (capital reserves).</p> <p>Issue costs are apportioned between the liability and equity components of the convertible loan notes based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.</p> <p>The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the liability component of the instrument. The difference between this amount and the interest paid is added to the carrying amount of the convertible loan note.</p> <p><b><i>Trade payables</i></b></p> <p>Trade payables are stated at their nominal value.</p>

Source	Checklist
	<p><b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b></p> <p><b><i>Equity instruments</i></b></p> <p>Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.</p> <p><b><i>Derivative financial instruments</i></b></p> <p>The Group uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such derivatives are initially recorded at cost, if any, and are remeasured to fair value at subsequent reporting dates.</p> <p>Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the income statement. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects net profit or loss.</p> <p>Changes in the fair value of designated fair value hedges and derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.</p> <p>Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.</p> <p>Derivatives embedded in other financial instruments or non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in the income statement.</p> <p><b>Provisions</b></p> <p>Provisions for warranty costs are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's liability.</p> <p>Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to affected parties.</p>

Source	Checklist																									
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																								
		<b>3. REVENUE</b>																								
18(r1993).35(b)	8022(a)	An analysis of the Group's revenue is as follows: <table><tr><td></td><td>Year ended 31/12/03</td><td>Year ended 31/12/02</td></tr><tr><td>Sales of goods</td><td>902,565</td><td>645,836</td></tr><tr><td>Revenue from construction contracts</td><td>304,073</td><td>209,562</td></tr><tr><td>Equipment leasing income</td><td>16,858</td><td>13,492</td></tr><tr><td>Property rental income</td><td>602</td><td>563</td></tr><tr><td></td><td><hr/></td><td><hr/></td></tr><tr><td></td><td>1,224,098</td><td>869,453</td></tr><tr><td></td><td><hr/></td><td><hr/></td></tr></table>		Year ended 31/12/03	Year ended 31/12/02	Sales of goods	902,565	645,836	Revenue from construction contracts	304,073	209,562	Equipment leasing income	16,858	13,492	Property rental income	602	563		<hr/>	<hr/>		1,224,098	869,453		<hr/>	<hr/>
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	<hr/>	<hr/>																								
11(r1993).39(a)	8023																									
40.66(d)(i)	8035(a)																									
		<b>4. BUSINESS AND GEOGRAPHICAL SEGMENTS</b>																								
		<i>Note: The following analysis by business and geographical segment is required by IAS 14 (r1997), Segment Reporting, to be presented by enterprises whose equity or debt securities are publicly traded or that are in the process of issuing equity or debt securities in public securities markets. If an enterprise whose securities are not publicly traded chooses to disclose segment information voluntarily in financial statements that comply with IFRS, that enterprise should comply fully with the requirements of IAS 14 (r1997).</i>																								
		<b>Business Segments</b>																								
14(r1997).81 1(r1997).102(b)	8021(a) 8001(b)	<p>For management purposes, the Group is currently organised into three operating divisions – electronic goods, construction and leasing. These divisions are the basis on which the Group reports its primary segment information.</p> <p>Principal activities are as follows:</p> <p>Electronic goods – manufacture and distribution of electronic consumer goods.</p> <p>Construction – construction of properties on a contract basis.</p> <p>Leasing – leasing of electronic equipment and property rental.</p> <p>In prior years, the Group was also involved in the manufacture and sale of toys. That operation was discontinued with effect from 30 November 2003 (see note 9).</p>																								

Source	Checklist																																				
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																																			
		Segment information about these businesses is presented below.																																			
		<b>2003</b>																																			
		<table><thead><tr><th></th><th colspan="3">Continuing operations</th><th colspan="2">Discontinuing operation</th><th></th></tr><tr><th></th><th>Electronic goods</th><th>Construction</th><th>Leasing</th><th>Toys</th><th>Eliminations</th><th>Consolidated</th></tr><tr><th></th><th>Year ended</th><th>Year ended</th><th>Year ended</th><th>Year ended</th><th>Year ended</th><th>Year ended</th></tr><tr><th></th><th>31/12/03</th><th>31/12/03</th><th>31/12/03</th><th>31/12/03</th><th>31/12/03</th><th>31/12/03</th></tr><tr><th></th><th>CU'000</th><th>CU'000</th><th>CU'000</th><th>CU'000</th><th>CU'000</th><th>CU'000</th></tr></thead></table>		Continuing operations			Discontinuing operation				Electronic goods	Construction	Leasing	Toys	Eliminations	Consolidated		Year ended	Year ended	Year ended	Year ended	Year ended	Year ended		31/12/03	31/12/03	31/12/03	31/12/03	31/12/03	31/12/03		CU'000	CU'000	CU'000	CU'000	CU'000	CU'000
	Continuing operations			Discontinuing operation																																	
	Electronic goods	Construction	Leasing	Toys	Eliminations	Consolidated																															
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended																															
	31/12/03	31/12/03	31/12/03	31/12/03	31/12/03	31/12/03																															
	CU'000	CU'000	CU'000	CU'000	CU'000	CU'000																															
14(r1997).51	8010(a)	<b>REVENUE</b>																																			
		External sales	743,127	304,073	17,460	159,438	-	1,224,098																													
		Inter-segment sales	10,020	-	-	-	(10,020)	-																													
14(r1997).67	8012(a)	Total revenue	753,147	304,073	17,460	159,438	(10,020)	1,224,098																													
14(r1997).75	8018(b)	Inter-segment sales are charged at prevailing market prices.																																			
		<b>RESULT</b>																																			
14(r1997).52	8010(b)	Segment result	95,292	34,879	16,699	4,493	(3,005)	148,358																													
		Unallocated corporate expenses						(9,969)																													
14(r1997).67	8012(b)	Profit from operations						138,389																													
14(r1997).64	8010(h)	Finance costs						(36,680)																													
		Share of results of associates	10,392	2,371				12,763																													
		Income from investments						2,938																													
		Profit on disposal of discontinuing operations				8,493		8,493																													
		Profit before tax						125,903																													
		Income tax expense						(19,837)																													
14(r1997).67	8012(b)	Profit after tax						106,066																													
		<b>OTHER INFORMATION</b>																																			
		<table><thead><tr><th></th><th colspan="3">Continuing operations</th><th colspan="2">Discontinuing operation</th><th></th></tr><tr><th></th><th>Electronic goods</th><th>Construction</th><th>Leasing</th><th>Toys</th><th>Other</th><th>Consolidated</th></tr><tr><th></th><th>CU'000</th><th>CU'000</th><th>CU'000</th><th>CU'000</th><th>CU'000</th><th>CU'000</th></tr></thead></table>		Continuing operations			Discontinuing operation				Electronic goods	Construction	Leasing	Toys	Other	Consolidated		CU'000	CU'000	CU'000	CU'000	CU'000	CU'000														
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	CU'000	CU'000	CU'000	CU'000	CU'000	CU'000																															
14(r1997).57	8010(e)	Capital additions	64,748	11,820	1,525	-	2,781	80,874																													
14(r1997).58	8010(f)	Depreciation and amortisation	21,603	6,120	192	1,420	3,259	32,594																													
36.116	8011	Impairment losses recognised in income	-	-	-	-	4,130	4,130																													
		<b>BALANCE SHEET</b>																																			
		<table><thead><tr><th></th><th>31/12/03</th><th>31/12/03</th><th>31/12/03</th><th>31/12/03</th><th></th></tr><tr><th></th><th>CU'000</th><th>CU'000</th><th>CU'000</th><th>CU'000</th><th>31/12/03</th></tr></thead></table>		31/12/03	31/12/03	31/12/03	31/12/03			CU'000	CU'000	CU'000	CU'000	31/12/03																							
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	CU'000	CU'000	CU'000	CU'000	31/12/03																																
		<b>ASSETS</b>																																			
14(r1997).55	8010(c)	Segment assets	673,160	149,890	208,798	-	1,031,848																														
14(r1997).66	8010(i)	Interests in associates	37,999	7,061	-	-	45,060																														
		Unallocated corporate assets					157,967																														
14(r1997).67	8012(c)	Consolidated total assets					1,234,875																														
		<b>LIABILITIES</b>																																			
14(r1997).56	8010(d)	Segment liabilities	108,657	44,457	20,156	6,058	179,328																														
		Unallocated corporate liabilities					556,155																														
14(r1997).67	8012(d)	Consolidated total liabilities					735,483																														



Source	Checklist						
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>					
		<b>2002</b>	<u>Continuing operations</u>			<u>Discontinuing operation</u>	
			<u>Electronic goods</u>	<u>Construction</u>	<u>Leasing</u>	<u>Toys</u>	<u>Eliminations</u>
			<u>Year ended</u>	<u>Year ended</u>	<u>Year ended</u>	<u>Year ended</u>	<u>Year ended</u>
			<u>31/12/02</u>	<u>31/12/02</u>	<u>31/12/02</u>	<u>31/12/02</u>	<u>31/12/02</u>
			<u>CU'000</u>	<u>CU'000</u>	<u>CU'000</u>	<u>CU'000</u>	<u>CU'000</u>
14(r1997).51	8010(a)	<b>REVENUE</b>					
		External sales	504,633	209,562	14,055	141,203	-
		Inter-segment sales	9,370	-	-	-	(9,370)
14(r1997).67	8012(a)	Total revenue	514,003	209,562	14,055	141,203	(9,370)
14(r1997).75	8018(b)	Inter-segment sales are charged at prevailing market prices.					
		<b>RESULT</b>					
14(r1997).52	8010(b)	Segment result	33,993	15,930	9,929	5,390	(1,902)
		Unallocated corporate expenses					(3,458)
14(r1997).67	8012(b)	Profit from operations					59,882
14(r1997).64	8010(h)	Finance costs					(32,995)
		Share of results of associates		983			983
		Income from investments					673
		Profit before tax					28,543
		Income tax expense					(4,690)
14(r1997).67	8012(b)	Profit after tax					23,853
		<b>OTHER INFORMATION</b>					
			<u>Electronic goods</u>	<u>Construction</u>	<u>Leasing</u>	<u>Toys</u>	<u>Other</u>
			<u>CU'000</u>	<u>CU'000</u>	<u>CU'000</u>	<u>CU'000</u>	<u>CU'000</u>
14(r1997).57	8010(e)	Capital additions	44,046	-	2,277	-	4,682
14(r1997).58	8010(f)	Depreciation and amortisation	10,122	4,944	158	2,897	2,014
		<b>BALANCE SHEET</b>					
			<u>31/12/02</u>	<u>31/12/02</u>	<u>31/12/02</u>	<u>31/12/02</u>	<u>31/12/02</u>
			<u>CU'000</u>	<u>CU'000</u>	<u>CU'000</u>	<u>CU'000</u>	<u>CU'000</u>
		<b>ASSETS</b>					
14(r1997).55	8010(c)	Segment assets	572,546	105,002	189,021	36,062	902,631
14(r1997).66	8010(i)	Interests in associates	-	12,274	-	-	12,274
		Unallocated corporate assets					148,945
14(r1997).67	8012(c)	Consolidated total assets					1,063,850
		<b>LIABILITIES</b>					
14(r1997).56	8010(d)	Segment liabilities	76,625	31,217	14,190	4,798	126,830
		Unallocated corporate liabilities					587,924
14(r1997).67	8012(d)	Consolidated total liabilities					714,754

Source	Checklist																																		
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																																	
		<p>The average number of employees for the year for each of the Group's principal divisions was as follows:</p> <table> <tr> <th></th><th>Year ended 31/12/03</th><th>Year ended 31/12/02</th></tr> <tr> <td>Electronic goods</td><td>2,182</td><td>2,483</td></tr> <tr> <td>Construction</td><td>619</td><td>473</td></tr> <tr> <td>Leasing</td><td>76</td><td>68</td></tr> <tr> <td>Toys</td><td>345</td><td>430</td></tr> <tr> <td>Head office and administration</td><td>278</td><td>248</td></tr> <tr> <td></td><td><hr/></td><td><hr/></td></tr> <tr> <td></td><td>3,500</td><td>3,702</td></tr> <tr> <td></td><td><hr/></td><td><hr/></td></tr> </table>		Year ended 31/12/03	Year ended 31/12/02	Electronic goods	2,182	2,483	Construction	619	473	Leasing	76	68	Toys	345	430	Head office and administration	278	248		<hr/>	<hr/>		3,500	3,702		<hr/>	<hr/>						
	Year ended 31/12/03	Year ended 31/12/02																																	
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	<hr/>	<hr/>																																	
1(r1997).102(d)	8001(d)																																		
		<b>Geographical Segments</b>																																	
14(r1997).81	8021(b)	<p>The Group's operations are located in A Land, B Land, C Land and D Land. The Group's construction and leasing divisions are located in A Land. Manufacturing of electronic goods is carried out in B Land, C Land and D Land. As discussed in note 18, the financial statements of the Group's subsidiary in C Land have not been consolidated due to restrictions on the subsidiary's ability to transfer funds to the Group.</p>																																	
14(r1997).69(a)	8013(a)	<p>The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:</p> <table> <tr> <th></th><th colspan="2">Sales revenue by geographical market</th></tr> <tr> <th></th><th>Year ended 31/12/03</th><th>Year ended 31/12/02</th></tr> <tr> <th></th><th>CU'000</th><th>CU'000</th></tr> <tr> <td>P Land</td><td>822,699</td><td>584,347</td></tr> <tr> <td>A Land</td><td>171,486</td><td>121,803</td></tr> <tr> <td>B Land</td><td>52,701</td><td>37,432</td></tr> <tr> <td>Q Land</td><td>137,892</td><td>97,942</td></tr> <tr> <td>Other</td><td>39,320</td><td>27,929</td></tr> <tr> <td></td><td><hr/></td><td><hr/></td></tr> <tr> <td></td><td>1,224,098</td><td>869,453</td></tr> <tr> <td></td><td><hr/></td><td><hr/></td></tr> </table>		Sales revenue by geographical market			Year ended 31/12/03	Year ended 31/12/02		CU'000	CU'000	P Land	822,699	584,347	A Land	171,486	121,803	B Land	52,701	37,432	Q Land	137,892	97,942	Other	39,320	27,929		<hr/>	<hr/>		1,224,098	869,453		<hr/>	<hr/>
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	<hr/>	<hr/>																																	
35.27(b)	8024(b)	<p>Revenue from the Group's discontinuing operations was derived principally from P Land (2003: CU81.4 million, 2002: CU103.3 million) and A Land (2003: CU75.5 million, 2002: CU35.8 million).</p>																																	

Source	Checklist																																				
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																																			
14(r1997).69(b),(c)	8013(b),(c)	<p>The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and intangible assets, analysed by the geographical area in which the assets are located:</p> <table><tr><th></th><th colspan="2">Carrying amount of segment assets</th><th colspan="2">Additions to property, plant and equipment and intangible assets</th></tr><tr><th></th><th><u>31/12/03</u></th><th><u>31/12/02</u></th><th><u>Year ended 31/12/03</u></th><th><u>Year ended 31/12/02</u></th></tr><tr><th></th><th>CU'000</th><th>CU'000</th><th>CU'000</th><th>CU'000</th></tr><tr><td>A Land</td><td>476,090</td><td>420,625</td><td>38,261</td><td>22,787</td></tr><tr><td>B Land</td><td>359,539</td><td>399,740</td><td>18,551</td><td>18,446</td></tr><tr><td>D Land</td><td>290,739</td><td>173,079</td><td>24,062</td><td>9,772</td></tr><tr><td></td><td><u>1,126,368</u></td><td><u>993,444</u></td><td><u>80,874</u></td><td><u>51,005</u></td></tr></table>		Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets			<u>31/12/03</u>	<u>31/12/02</u>	<u>Year ended 31/12/03</u>	<u>Year ended 31/12/02</u>		CU'000	CU'000	CU'000	CU'000	A Land	476,090	420,625	38,261	22,787	B Land	359,539	399,740	18,551	18,446	D Land	290,739	173,079	24,062	9,772		<u>1,126,368</u>	<u>993,444</u>	<u>80,874</u>	<u>51,005</u>
	Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets																																		
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	<u>1,126,368</u>	<u>993,444</u>	<u>80,874</u>	<u>51,005</u>																																	
8(r1993).16	8046	<p><b>5. RESTRUCTURING COSTS</b></p> <p>In November 2003, the Group disposed of Subsix Limited (see note 9). Certain of the non-core assets of the toy division were retained by the Group. In addition, the shipping and distribution operations of the toy division were segregated from the manufacturing operations and retained by the Group. The assets retained were scrapped, and an impairment loss recognised in respect of their previous carrying amount. To the extent that workers in the shipping and distribution operations could not be redeployed, termination terms were agreed.</p>																																			
36.113(a)	8098(a)	<table><tr><th></th><th><u>Year ended 31/12/03 CU'000</u></th></tr><tr><td>Impairment loss recognised in respect of assets</td><td>4,130</td></tr><tr><td>Redundancy costs</td><td>14,170</td></tr><tr><td></td><td><u>18,300</u></td></tr></table> <p>In addition, redundancy costs of CU1.42 million (2002: CU1.95 million) were incurred following the acquisition of Sub A Limited. This charge was offset by the release of negative goodwill of the same amount (see note 17).</p>		<u>Year ended 31/12/03 CU'000</u>	Impairment loss recognised in respect of assets	4,130	Redundancy costs	14,170		<u>18,300</u>																											
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Source	Checklist		
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>	
		<b>6. PROFIT FROM OPERATIONS</b>	
		Profit from operations has been arrived at after charging (crediting):	
			<div> <div>Year ended</div> <div>31/12/03</div> <div>CU'000</div> </div> <div> <div>Year ended</div> <div>31/12/02</div> <div>CU'000</div> </div>
21(r1993).42(a)	8037(a)	Net foreign exchange losses/(gains)	<div>1,278</div> <div>(731)</div>
38.115	8036	Research and development costs	<div>4,800</div> <div>6,560</div>
20.39(b)	8170(a)	Government grants towards training costs	<div>(398)</div> <div>(473)</div>
		Amortisation	
22(r1998).88(d)	7003(c)	- goodwill (included in [depreciation and amortisation expense/other operating expenses])	<div>463</div> <div>247</div>
38.107(d)	7003(n)	- intangible assets (included in [depreciation and amortisation expense/other operating expenses])	<div>2,614</div> <div>846</div>
			<div>3,077</div> <div>1,093</div>
22(r1998).91(c)	7003(d)	Release of negative goodwill to income	
		- included in other operating income	<div>(258)</div> <div>(257)</div>
		- offset against restructuring costs	<div>(1,424)</div> <div>(1,953)</div>
			<div>(1,682)</div> <div>(2,210)</div>
40.67(d)	8059	(Increase)/decrease in fair value of value of investment property	<div>(591)</div> <div>49</div>
2(r1993).37	8038	Cost of inventories recognised as expense	<div>594,197</div> <div>600,627</div>
1(r1997).83	3007	Total staff costs incurred during the period amounted to CU247.9 million (2002: CU223.5 million) and total depreciation amounted to CU29.5 million (2002: CU19 million).	
		<i>Note: Separate disclosure of staff costs and depreciation is required where the expenses presented in the income statement are analysed by function (see Income Statement - Alt 2)</i>	

Source	Checklist			
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>		
		<b>7. FINANCE COSTS</b>		
			<div>Year ended 31/12/03 CU'000</div>	<div>Year ended 31/12/02 CU'000</div>
		Interest on bank overdrafts and loans	40,923	32,762
		Interest on convertible loan notes (note 32)	1,260	-
		Interest on obligations under finance leases	348	233
23(r1993).29(b)	8039(a)	Total borrowing costs	42,531	32,995
		Less: amounts included in the cost of qualifying assets	(5,571)	-
39(r2000).170(c)	8138	Loss arising on derivatives trading	36,960	32,995
		Fair value gains on interest rate swaps transferred from equity	100	-
			(380)	-
			36,680	32,995
23(r1993).29(c)	8039(b)	Borrowing costs included in the cost of qualifying assets during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 7 per cent to expenditure on such assets.		
18(r1993).35(b) 39(r2000).170(c)	8022(a) 8138	<b>8. INCOME FROM INVESTMENTS</b>		
			<div>Year ended 31/12/03 CU'000</div>	<div>Year ended 31/12/02 CU'000</div>
		Interest on bank deposits	1,202	368
		Dividends from investments held for trading	2,299	349
		Decrease in fair value of trading investments disposed of	(892)	-
		Decrease in fair value of trading investments held at year end	(388)	(44)
		Profit on disposal of available-for-sale investments	717	-
			2,938	673

Source	Checklist																																		
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																																	
		<b>9. DISCONTINUING OPERATIONS</b>																																	
35.27(c) 35.27(a),(b)	8024(c) 8024(a),(b)	On 14 May 2003, the Group entered into a sale agreement to dispose of Subsix Limited, which carried out all of the Group's toy manufacturing operations. The disposal was effected in order to generate cash flow for the expansion of the Group's other businesses. The disposal was completed on 30 November 2003, on which date control of Subsix Limited passed to the acquirer.																																	
35.27(d)	8024(d)																																		
35.27(f) 35.45	8024(f) 8034	<p>The results of the toy manufacturing operations for the period from 1 January 2003 to 30 November 2003, which have been included in the consolidated income statement, were as follows:</p> <table> <tr> <th></th><th>Period ended 30/11/03 CU'000</th><th>Year ended 31/12/02 CU'000</th></tr> <tr> <td>Revenue</td><td>159,438</td><td>141,203</td></tr> <tr> <td>Operating costs</td><td>(136,645)</td><td>(135,813)</td></tr> <tr> <td>Restructuring costs</td><td>(18,300)</td><td>-</td></tr> <tr> <td>Finance costs</td><td>(493)</td><td>(830)</td></tr> <tr> <td></td><td><hr/></td><td><hr/></td></tr> <tr> <td>Profit before tax</td><td>4,000</td><td>4,560</td></tr> <tr> <td>Income tax expense</td><td>(1,817)</td><td>(389)</td></tr> <tr> <td></td><td><hr/></td><td><hr/></td></tr> <tr> <td>Profit from ordinary activities after tax</td><td>2,183</td><td>4,171</td></tr> <tr> <td></td><td><hr/></td><td><hr/></td></tr> </table> <p>Details of the restructuring costs arising following the disposal of Subsix Limited are set out in note 5.</p>		Period ended 30/11/03 CU'000	Year ended 31/12/02 CU'000	Revenue	159,438	141,203	Operating costs	(136,645)	(135,813)	Restructuring costs	(18,300)	-	Finance costs	(493)	(830)		<hr/>	<hr/>	Profit before tax	4,000	4,560	Income tax expense	(1,817)	(389)		<hr/>	<hr/>	Profit from ordinary activities after tax	2,183	4,171		<hr/>	<hr/>
	Period ended 30/11/03 CU'000	Year ended 31/12/02 CU'000																																	
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Profit from ordinary activities after tax	2,183	4,171																																	
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35.27(g) 35.45	8024(g) 8034	During the year, Subsix Limited contributed CU4.8 million (2002: CU4.25 million) to the Group's net operating cash flows, paid CU1.37 million (2002: CU2.89 million) in respect of investing activities and paid CU0.9 million (2002: CU3.71 million) in respect of financing activities.																																	
35.31(b)	8026(b)(iii)	The carrying amounts of the assets and liabilities of Subsix Limited at the date of disposal are disclosed in note 38.																																	
35.31(a)	8026(a)	A profit of CU8.5 million arose on the disposal of Subsix Limited, being the proceeds of disposal less the carrying amount of the subsidiary's net assets and attributable goodwill (see note 38). No tax charge or credit arose from the transaction.																																	

Source	Checklist		
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>	
		<b>10. INCOME TAX EXPENSE</b>	
			<div> <div>Year ended</div> <div>31/12/03</div> <div>CU'000</div> </div> <div> <div>Year ended</div> <div>31/12/02</div> <div>CU'000</div> </div>
12(r2000).79	8041	Current tax:	
		Domestic	5,408
		Foreign	8,242
			13,650
		Deferred tax (note 34):	
		Current year	6,046
		Attributable to an increase in the rate of domestic income tax	141
			6,187
			19,837
12(r2000).81(d)	8043(a)	Domestic income tax is calculated at 17.5 per cent (2002: 16 per cent) of the estimated assessable profit for the year. The rate of tax has been amended with effect from the 2003/04 year of assessment.	
		Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.	
12(r2000).81(h)	8043(b)(ii)	Of the charge to domestic income tax, approximately CU1.8 million (2002: CU0.4 million) related to profits arising in the toy division, which was disposed of during the year. No tax charge or credit arose on the disposal of the relevant subsidiary.	

Source	Checklist																																																			
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																																																		
12(r2000).81(c)	8042	<p>The charge for the year can be reconciled to the profit per the income statement as follows:</p> <table><thead><tr><th></th><th colspan="2">Year ended 31/12/03</th><th colspan="2">Year ended 31/12/02</th></tr><tr><th></th><th>CU'000</th><th>%</th><th>CU'000</th><th>%</th></tr></thead><tbody><tr><td>Profit before tax</td><td>125,903</td><td></td><td>28,543</td><td></td></tr><tr><td>Tax at the domestic income tax rate of 17.5% (2002: 16%)</td><td>22,033</td><td>17.5</td><td>4,566</td><td>16</td></tr><tr><td>Tax effect of share of results of associates</td><td>(2,234)</td><td>(1.8)</td><td>(157)</td><td>(0.6)</td></tr><tr><td>Tax effect of expenses that are not deductible in determining taxable profit</td><td>115</td><td>0.1</td><td>434</td><td>1.5</td></tr><tr><td>Tax effect of utilisation of tax losses not previously recognised</td><td>(290)</td><td>(0.2)</td><td>(235)</td><td>(0.8)</td></tr><tr><td>Increase in opening deferred tax liability resulting from an increase in tax rates</td><td>141</td><td>0.1</td><td>-</td><td>-</td></tr><tr><td>Effect of different tax rates of subsidiaries operating in other jurisdictions</td><td>72</td><td>0.1</td><td>82</td><td>0.3</td></tr><tr><td>Tax expense and effective tax rate for the year</td><td>19,837</td><td>15.8</td><td>4,690</td><td>16.4</td></tr></tbody></table>		Year ended 31/12/03		Year ended 31/12/02			CU'000	%	CU'000	%	Profit before tax	125,903		28,543		Tax at the domestic income tax rate of 17.5% (2002: 16%)	22,033	17.5	4,566	16	Tax effect of share of results of associates	(2,234)	(1.8)	(157)	(0.6)	Tax effect of expenses that are not deductible in determining taxable profit	115	0.1	434	1.5	Tax effect of utilisation of tax losses not previously recognised	(290)	(0.2)	(235)	(0.8)	Increase in opening deferred tax liability resulting from an increase in tax rates	141	0.1	-	-	Effect of different tax rates of subsidiaries operating in other jurisdictions	72	0.1	82	0.3	Tax expense and effective tax rate for the year	19,837	15.8	4,690	16.4
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12(r2000).81(a)	5003(b)	<p>In addition to the amount charged to the income statement, deferred tax relating to the revaluation of the Group's land and buildings other than investment property amounting to CU3.7 million (2002: CU0.32 million credited to equity) and to the equity component of convertible bonds issued amounting to CU0.17 million has been charged directly to equity (see note 34).</p> <p><b>11. DIVIDENDS</b></p>																																																		
1(r1997).85	8047	<p>On 23 May 2003, a dividend of 4.2 cents (2002: 6.7 cents) per share was paid to shareholders.</p>																																																		
1(r1997).74(c)	8048	<p>In respect of the current year, the directors propose that a dividend of 9.8 cents per share will be paid to shareholders on 25 May 2004. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.</p> <p>The proposed dividend for 2003 is payable to all shareholders on the Register of Members on 21 April 2004. The total estimated dividend to be paid is CU14.7 million.</p>																																																		



Source	Checklist													
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>												
		<b>12. EARNINGS PER SHARE</b>												
		<p><i>Note: IAS 33, Earnings Per Share, requires that Earnings Per Share (EPS) information be presented by enterprises whose ordinary shares or potential ordinary shares are publicly traded and by enterprises that are in the process of issuing ordinary shares or potential ordinary shares in public securities markets. If other enterprises choose to disclose EPS information in financial statements that comply with IFRS, they should comply fully with the requirements of IAS 33.</i></p>												
		<b>Including Discontinuing Operations</b>												
		<p>The calculation of the basic and diluted earnings per share is based on the following data:</p>												
33.49(a)	3009(a)	<p><b>Earnings</b></p> <table> <tr> <th></th><th>Year ended 31/12/03 CU'000</th><th>Year ended 31/12/02 CU'000</th></tr> <tr> <td>Earnings for the purposes of basic earnings per share (net profit for the year)</td><td>105,457</td><td>23,756</td></tr> <tr> <td>Effect of dilutive potential ordinary shares: Interest on convertible loan notes (net of tax)</td><td>1,040</td><td>-</td></tr> <tr> <td>Earnings for the purposes of diluted earnings per share</td><td>106,497</td><td>23,756</td></tr> </table>		Year ended 31/12/03 CU'000	Year ended 31/12/02 CU'000	Earnings for the purposes of basic earnings per share (net profit for the year)	105,457	23,756	Effect of dilutive potential ordinary shares: Interest on convertible loan notes (net of tax)	1,040	-	Earnings for the purposes of diluted earnings per share	106,497	23,756
	Year ended 31/12/03 CU'000	Year ended 31/12/02 CU'000												
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33.49(b)	3009(b)	<p><b>Number of shares</b></p> <table> <tr> <th></th><th>Year ended 31/12/03 '000</th><th>Year ended 31/12/02 '000</th></tr> <tr> <td>Weighted average number of ordinary shares for the purposes of basic earnings per share</td><td>150,000</td><td>150,000</td></tr> <tr> <td>Effect of dilutive potential ordinary shares: Share options Convertible loan notes</td><td>56,672 42,188</td><td>21,152 -</td></tr> <tr> <td>Weighted average number of ordinary shares for the purposes of diluted earnings per share</td><td>248,860</td><td>171,152</td></tr> </table>		Year ended 31/12/03 '000	Year ended 31/12/02 '000	Weighted average number of ordinary shares for the purposes of basic earnings per share	150,000	150,000	Effect of dilutive potential ordinary shares: Share options Convertible loan notes	56,672 42,188	21,152 -	Weighted average number of ordinary shares for the purposes of diluted earnings per share	248,860	171,152
	Year ended 31/12/03 '000	Year ended 31/12/02 '000												
Weighted average number of ordinary shares for the purposes of basic earnings per share	150,000	150,000												
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Weighted average number of ordinary shares for the purposes of diluted earnings per share	248,860	171,152												
33.43	3011(c)	<p>The denominators for the purposes of calculating both basic and diluted earnings per share have been adjusted to reflect the capitalisation issue in February 2004 (see note 26).</p>												

Source	Checklist																																				
33.51	<div><div>3010</div><div><div><div>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</div><div>Excluding Discontinuing Operations</div><div>The additional basic and diluted earnings per share present earnings data after elimination of the effects of operations discontinued in the period.</div><div>Earnings figures are calculated as follows:</div><table><thead><tr><th></th><th>Year ended 31/12/03 CU'000</th><th>Year ended 31/12/02 CU'000</th></tr></thead><tbody><tr><td>Net profit for the year</td><td>105,457</td><td>23,756</td></tr><tr><td>Adjustments for:</td><td></td><td></td></tr><tr><td>    Profit after tax from discontinuing operations</td><td>(2,183)</td><td>(4,171)</td></tr><tr><td>    Profit on disposal of discontinuing operations</td><td>(8,493)</td><td>-</td></tr><tr><td></td><td></td><td></td></tr><tr><td>Earnings for the purposes of     basic earnings per share excluding     discontinuing operations</td><td>94,781</td><td>19,585</td></tr><tr><td>Effect of dilutive potential ordinary shares:</td><td></td><td></td></tr><tr><td>    Interest on convertible loan notes (net of tax)</td><td>1,040</td><td>-</td></tr><tr><td></td><td></td><td></td></tr><tr><td>Earnings for the purposes of diluted earnings     per share excluding discontinuing operations</td><td>95,821</td><td>19,585</td></tr><tr><td></td><td></td><td></td></tr></tbody></table><div>The denominators used are the same as those detailed above for both basic and diluted earnings per share.</div></div></div></div>		Year ended 31/12/03 CU'000	Year ended 31/12/02 CU'000	Net profit for the year	105,457	23,756	Adjustments for:			Profit after tax from discontinuing operations	(2,183)	(4,171)	Profit on disposal of discontinuing operations	(8,493)	-				Earnings for the purposes of basic earnings per share excluding discontinuing operations	94,781	19,585	Effect of dilutive potential ordinary shares:			Interest on convertible loan notes (net of tax)	1,040	-				Earnings for the purposes of diluted earnings per share excluding discontinuing operations	95,821	19,585			
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Source	Checklist					
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>				
		<b>13. PROPERTY, PLANT AND EQUIPMENT</b>				
			<u>Land and buildings</u> CU'000	<u>Properties under construction</u> CU'000	<u>Fixtures and equipment</u> CU'000	<u>Total</u> CU'000
16(r1998).60(d),(e)	8052(b),(c)	COST OR VALUATION				
		At 1 January 2003	442,099	77,700	103,870	623,669
16(r1998).61(c)	8053(b)	Additions	-	17,260	44,359	61,619
		Acquired on acquisition of a subsidiary	-	-	8,907	8,907
		Exchange differences	2,103	-	972	3,075
		Disposal of a subsidiary	-	-	(22,402)	(22,402)
		Disposals	-	-	(6,413)	(6,413)
		Revaluation increase	41,586	-	-	41,586
		At 31 December 2003	485,788	94,960	129,293	710,041
16(r1998).60(a)	8052(a)	Comprising:				
		At cost	-	94,960	129,293	224,253
		At valuation 2003	485,788	-	-	485,788
			485,788	94,960	129,293	710,041
		ACCUMULATED DEPRECIATION AND IMPAIRMENT				
		At 1 January 2003	9,900	-	46,927	56,827
		Charge for the year	13,172	-	16,345	29,517
36.113(a)	8098	Impairment loss	-	-	4,130	4,130
		Exchange differences	51	-	927	978
		Eliminated on disposal of a subsidiary	-	-	(12,277)	(12,277)
		Eliminated on disposals	-	-	(5,614)	(5,614)
		Eliminated on revaluation	(23,123)	-	-	(23,123)
		At 31 December 2003	-	-	50,438	50,438
		CARRYING AMOUNT				
		At 31 December 2003	485,788	94,960	78,855	659,603
		At 31 December 2002	432,199	77,700	56,943	566,842

Source	Checklist	
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>
		<p>The impairment loss on fixtures and equipment arose in connection with the restructuring following the disposal of Subsix Limited (see note 5).</p>
17(r1997).23(a)	8118(a)	<p>The carrying amount of the Group's fixtures and equipment includes an amount of CU2.55 million (2002: CU1.40 million) in respect of assets held under finance leases.</p>
16(r1998).61(a)	8053(a)	<p>The Group has pledged land and buildings having a carrying amount of approximately CU370 million (2002: CU320 million) to secure banking facilities granted to the Group.</p>
16(r1998).64 (a), (b), (c)	8054(a), (b), (c)	<p>Land and buildings were revalued at 31 December 2003 by Messrs. Lacey &amp; King, independent valuers not connected with the Group, on the basis of market value. The valuation conforms to International Valuation Standards.</p>
16(r1998).64(e)	8054(e)	<p>At 31 December 2003, had the land and buildings other than investment property of the Group been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately CU390 million (2002: CU410 million).</p>
		<b>14. INVESTMENT PROPERTY</b>
		<p style="text-align: right;">CU'000</p>
		<p>FAIR VALUE</p>
40.67	8059	<p>At 1 January 2003 11,409</p> <p>Increase in fair value during the year 591</p> <hr/> <p>At 31 December 2003 12,000</p> <hr/>
40.66(b),(c)	8057	<p>The fair value of the Group's investment property at 31 December 2003 has been arrived at on the basis of a valuation carried out at that date by Messrs R P Trent, independent valuers not connected with the Group. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.</p>
40.66(e)	8058	<p>The Group has pledged all of its investment property to secure general banking facilities granted to the Group.</p>
40.66(d)	8035	<p>The property rental income earned by the Group from its investment property, all of which is leased out under operating leases, amounted to CU0.6 million (2002: CU0.56 million). Direct operating expenses arising on the investment property in the period amounted to CU0.16 million (2002: CU0.23 million).</p>

Source	Checklist																																																																	
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																																																																
		<b>15. INTANGIBLE ASSETS</b>																																																																
38.107(c), (e)	8068	<table><tr><td></td><td>Development <u>costs</u> CU'000</td><td>Patents and <u>trademarks</u> CU'000</td><td><u>Total</u> CU'000</td></tr><tr><td colspan="4">COST</td></tr><tr><td>At 1 January 2003</td><td>-</td><td>31,617</td><td>31,617</td></tr><tr><td>Additions</td><td>3,600</td><td>3,835</td><td>7,435</td></tr><tr><td>Acquired on acquisition of a subsidiary</td><td>-</td><td>870</td><td>870</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td>At 31 December 2003</td><td>3,600</td><td>36,322</td><td>39,922</td></tr><tr><td colspan="4">AMORTISATION</td></tr><tr><td>At 1 January 2003</td><td>-</td><td>10,323</td><td>10,323</td></tr><tr><td>Charge for the year</td><td>360</td><td>2,254</td><td>2,614</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td>At 31 December 2003</td><td>360</td><td>12,577</td><td>12,937</td></tr><tr><td colspan="4">CARRYING AMOUNT</td></tr><tr><td>At 31 December 2003</td><td>3,240</td><td>23,745</td><td>26,985</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td>At 31 December 2002</td><td>-</td><td>21,294</td><td>21,294</td></tr></table>		Development <u>costs</u> CU'000	Patents and <u>trademarks</u> CU'000	<u>Total</u> CU'000	COST				At 1 January 2003	-	31,617	31,617	Additions	3,600	3,835	7,435	Acquired on acquisition of a subsidiary	-	870	870					At 31 December 2003	3,600	36,322	39,922	AMORTISATION				At 1 January 2003	-	10,323	10,323	Charge for the year	360	2,254	2,614					At 31 December 2003	360	12,577	12,937	CARRYING AMOUNT				At 31 December 2003	3,240	23,745	26,985					At 31 December 2002	-	21,294	21,294
	Development <u>costs</u> CU'000	Patents and <u>trademarks</u> CU'000	<u>Total</u> CU'000																																																															
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At 31 December 2002	-	21,294	21,294																																																															
38.107(a)	7003(n)	<p>The amortisation period for development costs incurred on the Group's e-business development is three years.</p> <p>Patents and trademarks are amortised over their estimated useful lives, which is on average ten years.</p>																																																																

Source	Checklist	
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b> <b><u>FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</u></b>
		<b>16. GOODWILL</b>
		CU'000
22(r1998).88(e)	8064	<b>COST</b>  At 1 January 2003 8,624 Exchange differences 194 Arising on acquisition of a subsidiary 2,043 Eliminated on disposal of a subsidiary (6,503) <hr/> At 31 December 2003 4,358 <hr/> <b>AMORTISATION</b>  At 1 January 2003 6,086 Exchange differences 149 Charge for the year 463 Eliminated on disposal of a subsidiary (3,545) <hr/> At 31 December 2003 3,153 <hr/> <b>CARRYING AMOUNT</b>  At 31 December 2003 1,205 <hr/> At 31 December 2002 2,538 <hr/>
22(r1998).88(a)	7003(c)	Goodwill is amortised over its estimated useful life. The foreseeable life of the goodwill arising on past acquisitions ranges from 12 to 20 years.

Source	Checklist	
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>
		<b>17. NEGATIVE GOODWILL</b>
		CU'000
22(r1998).91(d)	8067	GROSS AMOUNT
		At 1 January and 31 December 2003
		4,665
		RELEASED TO INCOME
		At 1 January 2003
		Released in the year
		2,210
		1,682
		At 31 December 2003
		3,892
		CARRYING AMOUNT
		At 31 December 2003
		773
		At 31 December 2002
		2,455
22(r1998).91(b) 22(r1998).91(a)	7003(d) 8066	<p>The negative goodwill of CU 4.67 million arose on the Group's acquisition of Sub A Limited in February 2002. At the date of acquisition, CU3.37 million of the negative goodwill was identified as relating to anticipated redundancy costs, expected to be incurred during 2002 and 2003. In 2002, redundancy costs of CU1.95 million were incurred and an equivalent amount of the negative goodwill was released to income. In 2003, final settlements in respect of redundancies amounted to CU1.42 million, and the remaining balance of negative goodwill attributable to such expenses was released to income.</p> <p>The remaining negative goodwill of CU1.3 million is released to income on a straight-line basis over a period of five years, the remaining weighted average useful life of the depreciable assets acquired.</p>

Source	Checklist					
27(r2000).32(a)	8073	<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>				
		<b>18. SUBSIDIARIES</b>				
		Details of the Company's subsidiaries at 31 December 2003 are as follows:				
		<u>Name of subsidiary</u>	<u>Place of incorporation (or registration) and operation</u>	<u>Proportion of ownership interest %</u>	<u>Proportion of voting power held %</u>	<u>Principal activity</u>
		Subone Limited	A Land	100	100	Property investment and construction
		Subtwo Limited	A Land	70	55	Equipment leasing
		Subthree Limited	B Land	100	100	Manufacture of electronic equipment
27(r2000).32(b)(i)	8075(a)	Subfour Limited	C Land	70	70	Manufacture of electronic equipment
		Subfive Limited	D Land	100	100	Manufacture of electronic equipment
		The financial statements of Subfour Limited are not consolidated in the Group financial statements. As previously reported, the assets and liabilities of Subfour Limited were placed under court administration during 2001 pending investigation of allegations of misconduct by the minority shareholder and general manager. Consequently, the subsidiary operates under severe long-term restrictions that significantly impair its ability to transfer funds to the Group. As the directors considered that the Group was unlikely to recover any of its investment, the resulting impairment loss was recognised in previous years.				
		Subsequent to the balance sheet date, the administration proceedings were completed and an application was made to wind-up Subfour Limited (see note 46).				



Source	Checklist																
		<p><b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b></p> <p><b>19. INTERESTS IN ASSOCIATES</b></p> <table><tr><td></td><td><u>31/12/03</u></td><td><u>31/12/02</u></td></tr><tr><td></td><td>CU'000</td><td>CU'000</td></tr><tr><td>Share of net assets</td><td>45,060</td><td>12,274</td></tr></table>		<u>31/12/03</u>	<u>31/12/02</u>		CU'000	CU'000	Share of net assets	45,060	12,274						
	<u>31/12/03</u>	<u>31/12/02</u>															
	CU'000	CU'000															
Share of net assets	45,060	12,274															
28(r2000).27(a)	8090(a)	<p>Details of the Group's associates at 31 December 2003 are as follows:</p> <table><tr><td><u>Name of associate</u></td><td><u>Place of incorporation and operation</u></td><td><u>Proportion of ownership interest</u></td><td><u>Proportion of voting power held</u></td><td><u>Principal activity</u></td></tr><tr><td>Aplus Limited</td><td>A Land</td><td>30%</td><td>30%</td><td>Manufacture of electronic equipment</td></tr><tr><td>Bplus Limited</td><td>D Land</td><td>45%</td><td>40%</td><td>Construction</td></tr></table>	<u>Name of associate</u>	<u>Place of incorporation and operation</u>	<u>Proportion of ownership interest</u>	<u>Proportion of voting power held</u>	<u>Principal activity</u>	Aplus Limited	A Land	30%	30%	Manufacture of electronic equipment	Bplus Limited	D Land	45%	40%	Construction
<u>Name of associate</u>	<u>Place of incorporation and operation</u>	<u>Proportion of ownership interest</u>	<u>Proportion of voting power held</u>	<u>Principal activity</u>													
Aplus Limited	A Land	30%	30%	Manufacture of electronic equipment													
Bplus Limited	D Land	45%	40%	Construction													
31(r2000).47	8092	<p><b>20. JOINT VENTURES</b></p> <p>The Group has the following significant interests in joint ventures:</p> <p>a) a 25 per cent share in the ownership of a property located in Central District, City A. The Group is entitled to a proportionate share of the rental income received and bears a proportionate share of the outgoings.</p> <p>b) a 33.5 per cent equity shareholding with equivalent voting power, in JV Electronics Limited, a joint venture established in D Land.</p>															

Source	Checklist																																		
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																																	
31(r2000).47	8093	<p>The following amounts are included in the Group's financial statements as a result of the proportionate consolidation of JV Electronics Limited:</p> <table> <tr> <th></th><th><u>31/12/03</u> CU'000</th><th><u>31/12/02</u> CU'000</th></tr> <tr> <td>Current assets</td><td>33,129</td><td>46,382</td></tr> <tr> <td>Non-current assets</td><td>15,302</td><td>38,577</td></tr> <tr> <td>Current liabilities</td><td>17,639</td><td>15,278</td></tr> <tr> <td>Non-current liabilities</td><td>29,214</td><td>24,730</td></tr> <tr> <td>Income</td><td>8,329</td><td>47,923</td></tr> <tr> <td>Expenses</td><td>51,702</td><td>46,378</td></tr> </table> <p><b>21. INVESTMENTS</b></p> <p><b>Available-for-sale Investments</b></p> <table> <tr> <th></th><th><u>31/12/03</u> CU'000</th><th><u>31/12/02</u> CU'000</th></tr> <tr> <td>Fair value</td><td>23,543</td><td>25,602</td></tr> </table> <p><b>Investments Held for Trading</b></p> <table> <tr> <th></th><th><u>31/12/03</u> CU'000</th><th><u>31/12/02</u> CU'000</th></tr> <tr> <td>Fair value</td><td>37,243</td><td>29,730</td></tr> </table>		<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000	Current assets	33,129	46,382	Non-current assets	15,302	38,577	Current liabilities	17,639	15,278	Non-current liabilities	29,214	24,730	Income	8,329	47,923	Expenses	51,702	46,378		<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000	Fair value	23,543	25,602		<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000	Fair value	37,243	29,730
	<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000																																	
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Fair value	37,243	29,730																																	
32(r1998).47(a)	8126	<p>The investments included above represent investments in listed equity securities that present the Group with opportunity for return through dividend income and trading gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on quoted market prices.</p>																																	

Source	Checklist																										
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																									
2(r1993).34(b)	8101(a)	<div> <div>22.     INVENTORIES</div> <table> <tr> <td></td> <td><u>31/12/03</u></td> <td><u>31/12/02</u></td> </tr> <tr> <td></td> <td>CU'000</td> <td>CU'000</td> </tr> <tr> <td>Raw materials</td> <td>84,255</td> <td>80,504</td> </tr> <tr> <td>Work-in-progress</td> <td>2,578</td> <td>1,893</td> </tr> <tr> <td>Finished goods</td> <td>31,062</td> <td>26,301</td> </tr> <tr> <td></td> <td><hr/></td> <td><hr/></td> </tr> <tr> <td></td> <td>117,895</td> <td>108,698</td> </tr> <tr> <td></td> <td><hr/></td> <td><hr/></td> </tr> </table> </div>			<u>31/12/03</u>	<u>31/12/02</u>		CU'000	CU'000	Raw materials	84,255	80,504	Work-in-progress	2,578	1,893	Finished goods	31,062	26,301		<hr/>	<hr/>		117,895	108,698		<hr/>	<hr/>
	<u>31/12/03</u>	<u>31/12/02</u>																									
	CU'000	CU'000																									
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Finished goods	31,062	26,301																									
	<hr/>	<hr/>																									
	117,895	108,698																									
	<hr/>	<hr/>																									
2(r1993).34(c)	8101(b)	Included above are raw materials of CU1.2 million (2002: CU0.8 million) and work in progress of CU0.3 million (2002: Nil) carried at net realisable value.																									
2(r1993).34(f)	8101(e)	Inventories with a carrying amount of CU26 million (2002: CU19.3 million) have been pledged as security for certain of the Group's bank overdrafts.																									

Source	Checklist				
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>			
		<b>23. FINANCE LEASE RECEIVABLES</b>			
			Minimum <u>lease payments</u> <u>31/12/03</u> <u>31/12/02</u> CU'000    CU'000	Present value of minimum <u>lease payments</u> <u>31/12/03</u> <u>31/12/02</u> CU'000    CU'000	
17(r1997).39(a)	8094(a),(b)	Amounts receivable under finance leases:			
		Within one year	72,526	65,948	54,713
		In the second to fifth years inclusive	120,875	109,913	114,937
					104,489
			193,401	175,861	169,650
17(r1997).39(b)	8094(c)	Less: unearned finance income	(23,751)	(21,698)	N/A
		Present value of minimum lease payments receivable	169,650	154,163	169,650
					154,163
1(r1997).54	4014	Analysed as:			
		Non-current finance lease receivables (recoverable after 12 months)		114,937	104,489
		Current finance lease receivables (recoverable within 12 months)		54,713	49,674
				169,650	154,163
17(r1997).39(f) 32(r1998).47(a)	8094(g) 8126	The Group enters into finance leasing arrangements for certain of its electronic equipment. The average term of finance leases entered into is 4 years.			
17(r1997).39(c)	8094(d)	Unguaranteed residual values of assets leased under finance leases at the balance sheet date are estimated at CU0.37 million (2002: CU0.25 million).			
32(r1998).56	8127	The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates 11.5 per cent (2002: 12 per cent) per annum.			
32(r1998).77	8129	The fair value of the Group's finance lease receivables at 31 December 2003 is estimated at CU182 million (2002: CU163 million).			

Source	Checklist	
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>
		<b>24. OTHER FINANCIAL ASSETS</b>
32(r1998).47(a)	8126	<p><b>Trade and other receivables</b> at the balance sheet date comprise amounts receivable from the sale of goods of CU83 million (2002: CU112 million), amounts due from construction contract customers of CU25 million (2002: CU17 million), deferred consideration for the disposal of Subsix Limited of CU24 million (see note 38), and currency and interest rate derivatives with a fair value of CU1.4 million (2002: CU0.26 million)(see note 33).</p> <p>The average credit period taken on sales of goods is 35 days. An allowance has been made for estimated irrecoverable amounts from the sale of goods of CU3.24 million (2002: CU4.39 million). This allowance has been determined by reference to past default experience.</p>
32(r1998).77	8129	<p>The directors consider that the carrying amount of trade and other receivables approximates their fair value.</p>
32(r1998).47(a)	8126	<p><b>Bank balances and cash</b> comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.</p>
32(r1998).77	8129	
32(r1998).66	8128	<p><b>Credit Risk</b></p> <p>The Group's principal financial assets are bank balances and cash, trade and other receivables, finance lease receivables and investments, which represent the Group's maximum exposure to credit risk in relation to financial assets.</p> <p>The Group's credit risk is primarily attributable to its trade and finance lease receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment.</p> <p>The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.</p> <p>The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.</p>

Source	Checklist		
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>	
		<b>25. CONSTRUCTION CONTRACTS</b>	
			<div> <div>31/12/03</div> <div>CU'000</div> </div> <div> <div>31/12/02</div> <div>CU'000</div> </div>
		Contracts in progress at balance sheet date:	
11(r1993).42(a)	8104(a)	Amounts due from contract customers included in trade and other receivables	<div>24,930</div> <div>17,302</div>
11(r1993).42(b)	8104(b)	Amounts due to contract customers included in trade and other payables	<div>(3,587)</div> <div>(3,904)</div>
			<div>21,343</div> <div>13,398</div>
11(r1993).40(a)	8103(a)	Contract costs incurred plus recognised profits less recognised losses to date	<div>59,039</div> <div>33,829</div>
		Less: progress billings	<div>(37,696)</div> <div>(20,431)</div>
			<div>21,343</div> <div>13,398</div>
11(r1993).40(b),(c)	8103(b),(c)	At 31 December 2003, retentions held by customers for contract work amounted to CU2.3 million (2002: CU1.8 million). Advances received from customers for contract work amounted to CU0.85 million (2002: Nil).	
1(r1997).54	4014	At 31 December 2003, amounts of CU4.3 million (2002: CU2.1 million) included in trade and other receivables and arising from construction contracts are due for settlement after more than 12 months.	

Source	Checklist			
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>		
1(r1997).74(a)	8105	<b>26. SHARE CAPITAL</b>		
			<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000
		Authorised: 200 million ordinary shares of par value CU1 each	200,000	200,000
		Issued and fully paid: 120 million ordinary shares of par value CU1 each	120,000	120,000
		There were no movements in the share capital of the Company in either the 2003 or 2002 reporting periods.		
		The Company has one class of ordinary shares which carry no right to fixed income.		
		On 14 February 2004, a capitalisation issue of 1 bonus share for every four shares in issue resulted in an increase in issued share capital of CU30 million, and an equivalent reduction in the share premium account.		
1(r1997).74(b) 1(r1997).86	8106 5002	<b>27. CAPITAL RESERVES</b>		
			<u>Share premium</u> CU'000	<u>Equity reserve</u> CU'000
				<u>Total</u> CU'000
		Balance at 1 January and 31 December 2002	32,098	-
		Recognition of equity component of convertible loan notes (see note 32)	-	995
12(r2000).81(a)	5003(b)	Deferred tax liability arising on recognition of equity component of convertible loan notes		(174)
		Balance at 31 December 2003	32,098	821

Source	Checklist	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued		
1(r1997).74(b) 1(r1997).86	8106 5002	<b>28. REVALUATION RESERVES</b>		
			Properties revaluation <u>reserve</u> CU'000	Investments revaluation <u>reserve</u> CU'000
				<u>Total</u> CU'000
		Balance at 1 January 2002	33,208	5,231
				38,439
16(r1998).64(f)	5003(c)	Revaluation decrease on land and buildings	(4,369)	-
				(4,369)
12(r2000).81(a)	5003(b)	Reversal of deferred tax liability on revaluation of land and buildings	320	-
				320
39(r2000).170(a)	5003(e)	Increase in fair value of available-for-sale investments	-	201
				201
		Balance at 1 January 2003	29,159	5,432
				34,591
16(r1998).64(f)	5003(c)	Revaluation increase on land and buildings	64,709	-
				64,709
12(r2000).81(a)	5003(b)	Deferred tax liability arising on revaluation of land and buildings	(3,684)	-
				(3,684)
12(r2000).81(a)	5003(b)	Effect of change in tax rate	(8)	-
				(8)
39(r2000).170(a)	5003(e)	Released on disposal of available-for- sale investments		(611)
				(611)
39(r2000).170(a)	5003(e)	Increase in fair value of available- for-sale investments	-	251
				251
		Balance at 31 December 2003	90,176	5,072
				95,248



Source	Checklist	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued			
1(r1997).74(b) 1(r1997).86	8106 5002	<b>29. HEDGING AND TRANSLATION RESERVES</b>			
			Hedging <u>reserve</u> CU'000	Translation <u>reserve</u> CU'000	<u>Total</u> CU'000
		Balance at 1 January 2002	1,235	(3,088)	(1,853)
21(r1993).42(b)	5003(f)	Exchange differences on translation of overseas operations	-	2,706	2,706
39(r2000).169(c)	8134(a)	Increase in fair value of hedging derivatives	550	-	550
39(r2000).169(c)	8134(b)	Transfer to income	(895)	-	(895)
		Balance at 1 January 2003	890	(382)	508
21(r1993).42(b)	5003(f)	Exchange differences on translation of overseas operations	-	(12,718)	(12,718)
39(r2000).169(c)	8134(a)	Increase in fair value of hedging derivatives	1,723	-	1,723
39(r2000).169(c)	8134(b)	Transfer to income	(995)	-	(995)
39(r2000).169(c)	8134(c)	Transfer to inventories	(218)	-	(218)
		Balance at 31 December 2003	1,400	(13,100)	(11,700)
1(r1997).74(b) 1(r1997).86	8106 5002	<b>30. ACCUMULATED PROFITS</b>			
					CU'000
		Balance at 1 January 2002			143,607
1(r1997).86(d)	5002(a)	Dividends paid			(8,040)
1(r1997).86(a)	5001(a)	Net profit for the year			23,756
		Balance at 1 January 2003			159,323
1(r1997).86(d)	5002(a)	Dividends paid			(5,040)
1(r1997).86(a)	5001(a)	Net profit for the year			105,457
		Balance at 31 December 2003			259,740

Source	Checklist	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued			
32(r1998).47(a) 32(r1998).56	8126 8127	<b>31. BANK OVERDRAFTS AND LOANS</b>			
			<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000	
		Bank overdrafts	51,907	41,909	
		Bank loans	448,753	535,530	
			<u>500,660</u>	<u>577,439</u>	
		The borrowings are repayable as follows:			
		On demand or within one year	144,307	128,686	
		In the second year	92,400	164,665	
		In the third to fifth years inclusive	263,953	277,200	
		After five years	-	6,888	
			<u>500,660</u>	<u>577,439</u>	
		Less: Amount due for settlement within 12 months (shown under current liabilities)	(144,307)	(128,686)	
		Amount due for settlement after 12 months	<u>356,353</u>	<u>448,753</u>	
		Analysis of borrowings by currency:			
		<b>31/12/2003</b>	<b>Currency Units CU'000</b>	<b>A Currency CU'000</b>	<b>B Currency CU'000</b>
		Bank overdrafts	15,182	11,288	18,530
		Bank loans	376,488	72,265	-
			<u>391,670</u>	<u>83,553</u>	<u>18,530</u>
					<u>6,907</u>
		<b>31/12/2002</b>			
		Bank overdrafts	3,434	14,282	14,842
		Bank loans	463,265	72,265	-
			<u>466,699</u>	<u>86,547</u>	<u>14,842</u>
					<u>9,351</u>

Source	Checklist										
		<p><b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b></p> <p>The average interest rates paid were as follows:</p> <table> <tr> <th></th><th>Year ended 31/12/03</th><th>Year ended 31/12/02</th></tr> <tr> <td>Bank overdrafts</td><td>8.7%</td><td>9.2%</td></tr> <tr> <td>Bank loans</td><td>7.8%</td><td>8.1%</td></tr> </table> <p>Bank loans of CU72.3 million (2002: CU72.3 million) were arranged at fixed interest rates. Other borrowings are arranged at floating rates.</p>		Year ended 31/12/03	Year ended 31/12/02	Bank overdrafts	8.7%	9.2%	Bank loans	7.8%	8.1%
	Year ended 31/12/03	Year ended 31/12/02									
Bank overdrafts	8.7%	9.2%									
Bank loans	7.8%	8.1%									
32(r1998).77	8129	<p>The directors estimate the fair value of the Group's borrowings as follows:</p> <table> <tr> <th></th><th>31/12/03 CU'000</th><th>31/12/02 CU'000</th></tr> <tr> <td>Bank overdrafts</td><td>51,907</td><td>41,909</td></tr> <tr> <td>Bank loans</td><td>463,000</td><td>540,000</td></tr> </table> <p>The other principal features of the Group's borrowings are as follows:</p> <p>(i) Bank overdrafts are repayable on demand. Overdrafts of CU20.9 million (2002: CU15.4 million) have been secured by a charge over the Group's inventories. The average effective interest rate on bank overdrafts approximates 8.7 per cent (2002: 9.2 per cent) per annum and are determined based on 2 per cent plus prime rate.</p> <p>(ii) The Group has two principal bank loans:</p> <p>a) a loan of CU376.5 million (2002: CU463.3 million). The loan was raised on 1 February 2001. Repayments commenced on 31 January 2003 and will continue until 2 January 2008. The loan is secured by a charge over certain of the Group's properties dated 1 February 2001. The loan carry interest rate at 1 per cent plus prime rate.</p> <p>b) a loan of CU72.3 million (2002: CU72.3 million) secured on certain current and non-current assets of the Group. This loan was advanced on 1 July 2002 and was originally due for repayment in full on 30 June 2004. Subsequent to the balance sheet date, the bank has agreed to reschedule the loan repayment date to 3 January 2006. On the basis of the post-year end agreement to reschedule the repayments, the relevant portions of the loan continue to be treated as long-term. The above bank loan carry fixed interest rate at 8 per cent (2002: 8 per cent) per annum.</p> <p>At 31 December 2003, the Group had available CU200 million (2002: CU200 million) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.</p>		31/12/03 CU'000	31/12/02 CU'000	Bank overdrafts	51,907	41,909	Bank loans	463,000	540,000
	31/12/03 CU'000	31/12/02 CU'000									
Bank overdrafts	51,907	41,909									
Bank loans	463,000	540,000									
1(r1997).63	4012										

Source	Checklist																							
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																						
		<b>32. CONVERTIBLE LOAN NOTES</b>																						
32(r1998).47(a) 32(r1998).56	8126 8127	<p>The convertible loan notes were issued on 1 April 2003, and are secured by a personal guarantee of a director. The notes are convertible into ordinary shares of the Company at any time between the date of issue of the notes and their settlement date. On issue, the loan notes were convertible at 18 shares per CU10 loan note. The conversion rate has been adjusted to 22.5 shares per CU10 loan note following the capitalisation issue of shares on 14 February 2004.</p> <p>If the notes have not been converted, they will be redeemed on 1 April 2005 at par. Interest of 5 per cent will be paid annually up until that settlement date.</p> <p>The net proceeds received from the issue of the convertible loan notes have been split between the liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Group, as follows:</p> <table><tr><td></td><td>CU'000</td></tr><tr><td>Nominal value of convertible loan notes issued</td><td>25,000</td></tr><tr><td>Equity component (net of deferred tax)</td><td>(821)</td></tr><tr><td>Deferred tax liability</td><td>(174)</td></tr><tr><td></td><td><hr/></td></tr><tr><td>Liability component at date of issue</td><td>24,005</td></tr><tr><td>Interest charged</td><td>1,260</td></tr><tr><td>Interest paid</td><td>(938)</td></tr><tr><td></td><td><hr/></td></tr><tr><td>Liability component at 31 December 2003</td><td>24,327</td></tr><tr><td></td><td><hr/><hr/></td></tr></table>		CU'000	Nominal value of convertible loan notes issued	25,000	Equity component (net of deferred tax)	(821)	Deferred tax liability	(174)		<hr/>	Liability component at date of issue	24,005	Interest charged	1,260	Interest paid	(938)		<hr/>	Liability component at 31 December 2003	24,327		<hr/> <hr/>
	CU'000																							
Nominal value of convertible loan notes issued	25,000																							
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	<hr/>																							
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Interest charged	1,260																							
Interest paid	(938)																							
	<hr/>																							
Liability component at 31 December 2003	24,327																							
	<hr/> <hr/>																							
32(r1998).77	8129	<p>The directors estimate the fair value of the liability component of the convertible loan notes at 31 December 2003 to be approximately CU23.7 million.</p>																						
32(r1998).47(a) 32(r1998).56 32(r1998).77	8126 8127 8129	<b>33. DERIVATIVE FINANCIAL INSTRUMENTS</b>																						
		<b>Currency Derivatives</b>																						
		<p>The Group utilises currency derivatives to hedge significant future transactions and cash flows. The Group is a party to a variety of foreign currency forward contracts and options in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets.</p>																						

Source	Checklist						
	<p><b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b></p> <p>At the balance sheet date, total notional amount of outstanding forward foreign exchange contracts that the Group has committed are as below.</p> <table><tr><td></td><td><u>31/12/03</u> CU'000</td><td><u>31/12/02</u> CU'000</td></tr><tr><td>Forward foreign exchange contracts</td><td>547,040</td><td>403,573</td></tr></table> <p>In addition, the Group had options to purchase currency of D Land equivalent to an amount of approximately CU50 million as a hedge against exchange losses on future purchases of goods.</p> <p>These arrangements are designed to address significant exchange exposures for the first half of 2004, and are renewed on a revolving basis as required.</p> <p>At 31 December 2003, the fair value of the Group's currency derivatives is estimated to be approximately CU0.74 million (2002: CU0.46 million). These amounts are based on market values of equivalent instruments at the balance sheet date, comprising CU1.01 million assets included in trade and other receivables and CU0.27 million liabilities included in trade and other payables. The fair value of currency derivatives that are designated and effective as cash flow hedges amounting to CU1.01 million (2002: CU0.63 million) has been deferred in equity.</p> <p>Amounts of CU0.62 million and CU0.22 million respectively have been transferred to the income statement and inventories in respect of contracts matured during the period.</p> <p>Changes in the fair value of non-hedging currency derivatives amounting to CU0.1 million have been charged to income in the year (2002: nil).</p> <p><b>Interest Rate Swaps</b></p> <p>The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. Contracts with nominal values of CU20 million have fixed interest payments at an average rate of 7 per cent for periods up until 2006 and have floating interest receipts at 2 per cent plus LIBOR.</p> <p>The fair value of swaps entered into at 31 December 2003 is estimated at CU0.39 million (2002: CU0.26 million). These amounts are based on market values of equivalent instruments at the balance sheet date. All of these interest rate swaps are designated and effective as cash flow hedges and the fair value thereof has been deferred in equity. An amount of CU0.38 million (2002: CU0.25 million) has been offset against hedged interest payments made in the period.</p>		<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000	Forward foreign exchange contracts	547,040	403,573
	<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000					
Forward foreign exchange contracts	547,040	403,573					

Source	Checklist																																																																																																																									
		<p><b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b></p> <p><b>34. DEFERRED TAX</b></p> <p>The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.</p> <table><tr><th></th><th>Accelerated tax depreciation CU\$'000</th><th>Deferred development costs CU\$'000</th><th>Revaluation of building CU\$'000</th><th>Convertible bond- equity component CU\$'000</th><th>Retirement benefit obligations CU\$'000</th><th>Tax losses CU\$'000</th><th>Total CU\$'000</th></tr><tr><td>At 1 January 2002</td><td>4,088</td><td>-</td><td>1,714</td><td>-</td><td>(2,710)</td><td>(920)</td><td>2,172</td></tr><tr><td>Charge to income for the year</td><td>899</td><td>-</td><td>-</td><td>-</td><td>180</td><td>79</td><td>1,158</td></tr><tr><td>Charge to equity for the year -</td><td>-</td><td>-</td><td>(320)</td><td>-</td><td>-</td><td>-</td><td>(320)</td></tr><tr><td>Exchange differences</td><td>29</td><td>-</td><td>(38)</td><td>-</td><td>(31)</td><td>2</td><td>(38)</td></tr><tr><td>At 1 January 2003</td><td>5,016</td><td>-</td><td>1,356</td><td>-</td><td>(2,561)</td><td>(839)</td><td>2,972</td></tr><tr><td>Charge (credit) to income for the year</td><td>4,739</td><td>552</td><td>-</td><td>(57)</td><td>214</td><td>598</td><td>6,046</td></tr><tr><td>Charge to equity</td><td>-</td><td>-</td><td>3,684</td><td>174</td><td>-</td><td>-</td><td>3,858</td></tr><tr><td>Acquisition of subsidiary</td><td>150</td><td>-</td><td>-</td><td>-</td><td>-</td><td>(351)</td><td>(201)</td></tr><tr><td>Disposal of subsidiary</td><td>(469)</td><td>-</td><td>(66)</td><td>-</td><td>280</td><td>-</td><td>(189)</td></tr><tr><td>Exchange differences</td><td>199</td><td>-</td><td>-</td><td>-</td><td>38</td><td>(20)</td><td>151</td></tr><tr><td>Effect of change in tax rate</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>- income statement</td><td>179</td><td>-</td><td>-</td><td>-</td><td>(33)</td><td>(5)</td><td>141</td></tr><tr><td>- equity</td><td>-</td><td>-</td><td>8</td><td>-</td><td>-</td><td>-</td><td>8</td></tr><tr><td>As 31 December 2003</td><td>9,814</td><td>552</td><td>4,982</td><td>117</td><td>(2,062)</td><td>(617)</td><td>12,786</td></tr></table>		Accelerated tax depreciation CU\$'000	Deferred development costs CU\$'000	Revaluation of building CU\$'000	Convertible bond- equity component CU\$'000	Retirement benefit obligations CU\$'000	Tax losses CU\$'000	Total CU\$'000	At 1 January 2002	4,088	-	1,714	-	(2,710)	(920)	2,172	Charge to income for the year	899	-	-	-	180	79	1,158	Charge to equity for the year -	-	-	(320)	-	-	-	(320)	Exchange differences	29	-	(38)	-	(31)	2	(38)	At 1 January 2003	5,016	-	1,356	-	(2,561)	(839)	2,972	Charge (credit) to income for the year	4,739	552	-	(57)	214	598	6,046	Charge to equity	-	-	3,684	174	-	-	3,858	Acquisition of subsidiary	150	-	-	-	-	(351)	(201)	Disposal of subsidiary	(469)	-	(66)	-	280	-	(189)	Exchange differences	199	-	-	-	38	(20)	151	Effect of change in tax rate								- income statement	179	-	-	-	(33)	(5)	141	- equity	-	-	8	-	-	-	8	As 31 December 2003	9,814	552	4,982	117	(2,062)	(617)	12,786
	Accelerated tax depreciation CU\$'000	Deferred development costs CU\$'000	Revaluation of building CU\$'000	Convertible bond- equity component CU\$'000	Retirement benefit obligations CU\$'000	Tax losses CU\$'000	Total CU\$'000																																																																																																																			
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As 31 December 2003	9,814	552	4,982	117	(2,062)	(617)	12,786																																																																																																																			
12(r2000).81(g)	8115(c)	<p>Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:</p> <table><tr><th></th><th>31/12/03 CU'000</th><th>31/12/02 CU'000</th></tr><tr><td>Deferred tax liabilities</td><td>15,447</td><td>5,772</td></tr><tr><td>Deferred tax assets</td><td>(2,661)</td><td>(2,800)</td></tr><tr><td></td><td>12,786</td><td>2,972</td></tr></table>		31/12/03 CU'000	31/12/02 CU'000	Deferred tax liabilities	15,447	5,772	Deferred tax assets	(2,661)	(2,800)		12,786	2,972																																																																																																												
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	12,786	2,972																																																																																																																								
12(r2000).81(e)	8115(a)	<p>At the balance sheet date, the Group has unused tax losses of CU11.23 million (2002: CU16.53 million) available for offset against future profits. A deferred tax asset has been recognised in respect of CU3.52 million (2002: CU5.24 million) of such losses. No deferred tax asset has been recognised in respect of the remaining CU7.71 million (2002: CU11.29 million) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of CU2.38 million (2002: CU3.29 million) that will expire in 2005. Other losses may be carried forward indefinitely.</p>																																																																																																																								

Source	Checklist																			
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																		
12(r2000).81(f)	8115(b)	At the balance sheet date, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was CU7.9 million (2002: CU6.3 million). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.																		
12(r2000).81(f)	8115(b)	Temporary differences arising in connection with interests in associates and joint ventures are insignificant.																		
		<b>35. OBLIGATIONS UNDER FINANCE LEASES</b>																		
		<table><tr><td></td><td><u>Minimum lease payments</u> <u>31/12/03</u></td><td><u>31/12/02</u> <u>CU'000</u></td><td><u>Present value of minimum lease payments</u> <u>31/12/03</u></td><td><u>31/12/02</u> <u>CU'000</u></td></tr><tr><td></td><td>CU'000</td><td>CU'000</td><td>CU'000</td><td>CU'000</td></tr></table>		<u>Minimum lease payments</u> <u>31/12/03</u>	<u>31/12/02</u> <u>CU'000</u>	<u>Present value of minimum lease payments</u> <u>31/12/03</u>	<u>31/12/02</u> <u>CU'000</u>		CU'000	CU'000	CU'000	CU'000								
	<u>Minimum lease payments</u> <u>31/12/03</u>	<u>31/12/02</u> <u>CU'000</u>	<u>Present value of minimum lease payments</u> <u>31/12/03</u>	<u>31/12/02</u> <u>CU'000</u>																
	CU'000	CU'000	CU'000	CU'000																
17(r1997).23(b)	8118(b),(c)	Amounts payable under finance leases:  Within one year In the second to fifth years inclusive   Less: future finance charges  Present value of lease obligations   Less: Amount due for settlement within 12 months (shown under current liabilities)	<table><tr><td>1,655</td><td>2,245</td><td>1,470</td><td>1,483</td></tr><tr><td>1,014</td><td>1,365</td><td>923</td><td>1,244</td></tr><tr><td>2,669 (276)</td><td>3,610 (883)</td><td>2,393 N/A</td><td>2,727 N/A</td></tr><tr><td>2,393</td><td>2,727</td><td>2,393</td><td>2,727</td></tr></table>	1,655	2,245	1,470	1,483	1,014	1,365	923	1,244	2,669 (276)	3,610 (883)	2,393 N/A	2,727 N/A	2,393	2,727	2,393	2,727	
1,655	2,245	1,470	1,483																	
1,014	1,365	923	1,244																	
2,669 (276)	3,610 (883)	2,393 N/A	2,727 N/A																	
2,393	2,727	2,393	2,727																	
1(r1997).54	4014	Amount due for settlement after 12 months	923	1,244																
17(r1997).23(e) 32(r1998).47(a) 32(r1998).56	8118(f) 8126 8127	It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average lease term is 3-4 years. For the year ended 31 December 2003, the average effective borrowing rate was 8.5 per cent (2002: 8.8 per cent). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.																		

Source	Checklist																																									
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																																								
		All lease obligations are denominated in Currency Units.																																								
32(r1998).77	8129	<p>The fair value of the Group's lease obligations approximates their carrying amount.</p> <p>The Group's obligations under finance leases are secured by the lessors' charges over the leased assets.</p>																																								
		<b>36. OTHER FINANCIAL LIABILITIES</b>																																								
32(r1998).47(a)	8126	<b>Trade and other payables</b> principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 45 days.																																								
32(r1998).77	8129	<p>The directors consider that the carrying amount of trade payables approximates to their fair value.</p> <p>In addition, trade and other payables include currency derivative liabilities with a fair value of CU0.27 million (see note 33).</p>																																								
		<b>37. PROVISIONS</b>																																								
37.84	8156	<table><tr><td></td><td><u>Warranty provision</u></td><td><u>Restructuring provision</u></td><td><u>Other</u></td><td><u>Total</u></td></tr><tr><td></td><td>CU'000</td><td>CU'000</td><td>CU'000</td><td>CU'000</td></tr><tr><td>At 1 January 2003</td><td>1,572</td><td>-</td><td>493</td><td>2,065</td></tr><tr><td>Additional provision in the year</td><td>946</td><td>14,170</td><td>58</td><td>15,174</td></tr><tr><td>Utilisation of provision</td><td>(298)</td><td>(8,112)</td><td>(279)</td><td>(8,689)</td></tr><tr><td></td><td><hr/></td><td><hr/></td><td><hr/></td><td><hr/></td></tr><tr><td>At 31 December 2003</td><td>2,220</td><td>6,058</td><td>272</td><td>8,550</td></tr><tr><td></td><td><hr/></td><td><hr/></td><td><hr/></td><td><hr/></td></tr></table>		<u>Warranty provision</u>	<u>Restructuring provision</u>	<u>Other</u>	<u>Total</u>		CU'000	CU'000	CU'000	CU'000	At 1 January 2003	1,572	-	493	2,065	Additional provision in the year	946	14,170	58	15,174	Utilisation of provision	(298)	(8,112)	(279)	(8,689)		<hr/>	<hr/>	<hr/>	<hr/>	At 31 December 2003	2,220	6,058	272	8,550		<hr/>	<hr/>	<hr/>	<hr/>
	<u>Warranty provision</u>	<u>Restructuring provision</u>	<u>Other</u>	<u>Total</u>																																						
	CU'000	CU'000	CU'000	CU'000																																						
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	<hr/>	<hr/>	<hr/>	<hr/>																																						
At 31 December 2003	2,220	6,058	272	8,550																																						
	<hr/>	<hr/>	<hr/>	<hr/>																																						
37.85	8157	The warranty provision represents management's best estimate of the Group's liability under 12 month warranties granted on electrical products, based on past experience and industry averages for defective products.																																								
37.85	8157	The restructuring provision relates to redundancy costs incurred on the disposal of Subsix Limited (see note 5). As at 31 December 2003, approximately 50 per cent of the affected employees had left the Group's employment, with the remainder departing in January 2004.																																								



Source	Checklist		
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>	
		<b>38. DISPOSAL OF SUBSIDIARY</b>	
		As referred to in note 9, on 30 November 2003 the Group discontinued its toy operations at the time of the disposal of its subsidiary Subsix Limited.	
7(r1992).40(d) 35.31(b) 35.45	6011(d) 8026(b)(iii) 8034	The net assets of Subsix Limited at the date of disposal and at 31 December 2002 were as follows:	
			<div> <div>30/11/03</div> <div>31/12/02</div> <div>CU'000</div> <div>CU'000</div> </div>
		Property, plant and equipment	10,125 7,293
		Inventories	11,976 14,247
		Trade receivables	12,264 11,685
7(r1992).40(c)	6011(c)	Bank balances and cash	4,382 1,946
		Retirement benefit obligation	(4,932) (5,107)
		Deferred tax liability	(189) -
		Income tax liability	(1,854) (37)
		Trade payables	(2,387) (2,104)
		Bank overdraft	(6,398) (7,200)
		Attributable goodwill	2,958 3,039
			<hr/>
			25,945 23,762
		Gain on disposal	8,493 <hr/>
7(r1992).40(a) 35.31(b)	6011(a) 8026(b)(i)	Total consideration	34,438 <hr/>
		Satisfied by:	
7(r1992).40(b)	6011(b)	Cash	10,899
		Deferred consideration	23,539
			<hr/>
			34,438 <hr/>
		Net cash inflow arising on disposal:	
		Cash consideration	10,899
		Bank balances and cash disposed of	(4,382)
			<hr/>
			6,517 <hr/>
35.31(b)	8026(b)(ii)	The deferred consideration will be settled in cash by the purchaser on or before 30 May 2003.	
27(r2000).32(b)(iv)	8075(d)	The impact of Subsix Limited on the Group's results in the current and prior periods is disclosed in note 9.	

Source	Checklist	
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>
		<b>39. ACQUISITION OF SUBSIDIARY</b>
22(r1998).86 22(r1998).87	8078 8079	<p>On 1 August 2003, the Group acquired 100 per cent of the issued share capital of Subfive Limited for cash consideration of CU7.9 million. This transaction has been accounted for by the purchase method of accounting.</p>
		<p style="text-align: right;"><u>01/08/03</u> CU'000</p>
7(r1992).40(d)	6011(d)	<p>Net assets acquired:</p>
		<p style="text-align: right;">Property, plant and equipment 8,907</p>
		<p style="text-align: right;">Trademarks 870</p>
		<p style="text-align: right;">Deferred tax asset 201</p>
		<p style="text-align: right;">Inventories 2,854</p>
		<p style="text-align: right;">Trade receivables 12,520</p>
7(r1992).40(c)	6011(c)	<p style="text-align: right;">Bank and cash balances 4,272</p>
		<p style="text-align: right;">Retirement benefit obligation (2,436)</p>
		<p style="text-align: right;">Trade payables (21,289)</p>
		<hr/>
		<p style="text-align: right;">5,899</p>
		<p style="text-align: right;">Goodwill 2,043</p>
		<hr/>
7(r1992).40(a)	6011(a)	<p style="text-align: right;">Total consideration 7,942</p>
		<hr/>
7(r1992).40(b)	6011(b)	<p style="text-align: right;">Satisfied by cash 7,942</p>
		<hr/>
		<p>Net cash outflow arising on acquisition:</p>
		<p style="text-align: right;">Cash consideration (7,942)</p>
		<p style="text-align: right;">Bank balances and cash acquired 4,272</p>
		<hr/>
		<p style="text-align: right;">(3,670)</p>
		<hr/>
27(r2000).32(b)(iv)	8075(d)	<p>Subfive Limited contributed CU15.3 million of revenue and CU1.2 million of profit before tax for the period between the date of acquisition and the balance sheet date.</p>
7(r1992).43	6013	<b>40. NON-CASH TRANSACTIONS</b>
		<p>Additions to fixtures and equipment during the year amounting to CU1.56 million were financed by new finance leases. Additions of CU4.19 million in 2002 were acquired on deferred payment terms, and were settled in the current period.</p>

Source	Checklist																
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>															
37.86	8159	<b>41. CONTINGENT LIABILITIES</b>  <p>During the reporting period, a customer of the Group instigated proceedings against it for alleged defects in an electronic product which, it is claimed, were the cause of a major fire in the customer's premises in February 2003. Total losses to the customer have been estimated at CU29.8 million and this amount is being claimed from the Group.</p> <p>The Group's lawyers have advised that they do not consider that the suit has merit, and they have recommended that it be contested. No provision has been made in these financial statements as the Group's management do not consider that there is any probable loss.</p>															
31(r2000).45	8165	<b>Contingent Liabilities Arising from Interest in a Joint Controlled Entity</b> <table> <tr> <th></th><th><u>31/12/03</u> CU'000</th><th><u>31/12/02</u> CU'000</th></tr> <tr> <td>Guarantees given to banks in respect of bank facilities utilised by jointly controlled entities</td><td>22,981</td><td>23,023</td></tr> <tr> <td>Share of contingent liabilities of jointly controlled entities arising from bills of exchange discounted with recourse</td><td>7,720</td><td>5,029</td></tr> <tr> <td>Guarantees given to banks in respect of bank facilities utilised by joint venture partners</td><td>5,371</td><td>8,209</td></tr> <tr> <td></td><td><u>36,072</u></td><td><u>36,261</u></td></tr> </table>		<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000	Guarantees given to banks in respect of bank facilities utilised by jointly controlled entities	22,981	23,023	Share of contingent liabilities of jointly controlled entities arising from bills of exchange discounted with recourse	7,720	5,029	Guarantees given to banks in respect of bank facilities utilised by joint venture partners	5,371	8,209		<u>36,072</u>	<u>36,261</u>
	<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000															
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	<u>36,072</u>	<u>36,261</u>															
		<b>42. COMMITMENTS</b>  <p>(i) Capital Commitments</p> <table> <tr> <th></th><th><u>31/12/03</u> CU'000</th><th><u>31/12/02</u> CU'000</th></tr> <tr> <td>Commitments for the acquisition of property, plant and equipment</td><td>9,965</td><td>20,066</td></tr> </table>		<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000	Commitments for the acquisition of property, plant and equipment	9,965	20,066									
	<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000															
Commitments for the acquisition of property, plant and equipment	9,965	20,066															
16(r1998).61(d)	8166																
40.66(f)	8167	<p>In addition, the Group has entered into a contract for the maintenance of its investment property for the next 5 years, which will give rise to an annual charge of CU0.12 million.</p>															

Source	Checklist																			
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																		
31(r2000).46	8169	<p>The Group's share of capital commitments of its jointly controlled entity is as follows:</p> <table> <tr> <th></th><th><u>31/12/03</u> CU'000</th><th><u>31/12/02</u> CU'000</th></tr> <tr> <td>Contracted but not provided for</td><td>928</td><td>379</td></tr> <tr> <td>Authorised but not contracted for</td><td>539</td><td>-</td></tr> <tr> <td></td><td><u>1,467</u></td><td><u>379</u></td></tr> </table> <p>(ii) Other Commitments</p> <p>As at balance sheet date, total sales and purchase commitments amounted to approximately CU250 million (2002: CU200 million) and CU300 million (2002: CU210 million) respectively.</p> <p><b>43. OPERATING LEASE ARRANGEMENTS</b></p> <p><b>The Group as Lessee</b></p> <table> <tr> <th></th><th><u>31/12/03</u> CU'000</th><th><u>31/12/02</u> CU'000</th></tr> <tr> <td>Minimum lease payments under operating leases recognised in income for the year</td><td><u>297</u></td><td><u>283</u></td></tr> </table>		<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000	Contracted but not provided for	928	379	Authorised but not contracted for	539	-		<u>1,467</u>	<u>379</u>		<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000	Minimum lease payments under operating leases recognised in income for the year	<u>297</u>	<u>283</u>
	<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000																		
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Minimum lease payments under operating leases recognised in income for the year	<u>297</u>	<u>283</u>																		
17(r1997).27(c)	8119(c)																			
17(r1997).27(a)	8119(a)	<p>At the balance sheet date, the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:</p> <table> <tr> <th></th><th><u>31/12/03</u> CU'000</th><th><u>31/12/02</u> CU'000</th></tr> <tr> <td>Within one year</td><td>309</td><td>297</td></tr> <tr> <td>In the second to fifth years inclusive</td><td>1,420</td><td>1,439</td></tr> <tr> <td>After five years</td><td>692</td><td>930</td></tr> <tr> <td></td><td><u>2,421</u></td><td><u>2,666</u></td></tr> </table>		<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000	Within one year	309	297	In the second to fifth years inclusive	1,420	1,439	After five years	692	930		<u>2,421</u>	<u>2,666</u>			
	<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000																		
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In the second to fifth years inclusive	1,420	1,439																		
After five years	692	930																		
	<u>2,421</u>	<u>2,666</u>																		
17(r1997).27(d)	8119(d)	<p>Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years.</p>																		

Source	Checklist																
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>															
17(r1997).48(c)	8095(c)	<b>The Group as Lessor</b>  Property rental income earned during the year was CU0.6 million (2002: CU0.6 million). Certain of the Group's properties held for rental purposes, with a carrying amount of CU3.89 million, have been disposed of since the balance sheet date. The remaining properties are expected to generate rental yields of 10 per cent on an ongoing basis. All of the properties held have committed tenants for the next seven years.															
17(r1997).48(a)	8095(a)	At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments: <table> <tr> <th></th><th><u>31/12/03</u> CU'000</th><th><u>31/12/02</u> CU'000</th></tr> <tr> <td>Within one year</td><td>810</td><td>602</td></tr> <tr> <td>In the second to fifth years inclusive</td><td>3,179</td><td>3,240</td></tr> <tr> <td>After five years</td><td>1,539</td><td>2,288</td></tr> <tr> <td></td><td><u>5,528</u></td><td><u>6,130</u></td></tr> </table>		<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000	Within one year	810	602	In the second to fifth years inclusive	3,179	3,240	After five years	1,539	2,288		<u>5,528</u>	<u>6,130</u>
	<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000															
Within one year	810	602															
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After five years	1,539	2,288															
	<u>5,528</u>	<u>6,130</u>															
19(r2002).147(a)	8150(a)	<b>44. SHARE OPTION SCHEME</b>  The Company's share option scheme was adopted pursuant to a resolution passed on 28 November 2001 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 27 November 2011. Under the scheme, the Board of Directors of the Company may grant options to eligible employees, including directors, to subscribe for shares of the Company.															
19(r2002).147(e)	8150(d)	No consideration is payable on the grant of an option. Options may generally be exercised at any time during the period commencing on the first anniversary of the date of grant of the share option and expiring at the close of business on the fifth anniversary of the date of grant. The exercise price is determined by the directors of the Company.															
19(r2002).147(c)	8150(b)	The financial impact of share options granted is not recorded in the Group's balance sheet until such time as the options are exercised, and no charge is recognised in the income statement in respect of the value of options granted in the year. Upon the exercise of the share options, the shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded in the share premium account. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.															

Source	Checklist																													
19(r2002).147(d) to (g)	8150(c) to (f)	<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																												
		The following tables disclose details of the share options held by employees (including directors) during the year:																												
		<table><tr><td><u>Option type</u></td><td><u>Outstanding at 1/1/03</u></td><td><u>Granted during the year</u></td><td><u>Outstanding at 31/12/03</u></td></tr><tr><td>2001</td><td>566,000</td><td>-</td><td>566,000</td></tr><tr><td>2002</td><td>277,000</td><td>-</td><td>277,000</td></tr><tr><td>2003</td><td>-</td><td>213,000</td><td>213,000</td></tr><tr><td></td><td><hr/></td><td><hr/></td><td><hr/></td></tr><tr><td></td><td>843,000</td><td>213,000</td><td>1,056,000</td></tr><tr><td></td><td><hr/></td><td><hr/></td><td><hr/></td></tr></table>	<u>Option type</u>	<u>Outstanding at 1/1/03</u>	<u>Granted during the year</u>	<u>Outstanding at 31/12/03</u>	2001	566,000	-	566,000	2002	277,000	-	277,000	2003	-	213,000	213,000		<hr/>	<hr/>	<hr/>		843,000	213,000	1,056,000		<hr/>	<hr/>	<hr/>
		<u>Option type</u>	<u>Outstanding at 1/1/03</u>	<u>Granted during the year</u>	<u>Outstanding at 31/12/03</u>																									
		2001	566,000	-	566,000																									
		2002	277,000	-	277,000																									
		2003	-	213,000	213,000																									
			<hr/>	<hr/>	<hr/>																									
			843,000	213,000	1,056,000																									
			<hr/>	<hr/>	<hr/>																									
<table><tr><td><u>Option type</u></td><td><u>Outstanding at 1/1/02</u></td><td><u>Granted during the year</u></td><td><u>Outstanding at 31/12/02</u></td></tr><tr><td>2001</td><td>566,000</td><td>-</td><td>566,000</td></tr><tr><td>2002</td><td>-</td><td>277,000</td><td>277,000</td></tr><tr><td></td><td><hr/></td><td><hr/></td><td><hr/></td></tr><tr><td></td><td>566,000</td><td>277,000</td><td>834,000</td></tr><tr><td></td><td><hr/></td><td><hr/></td><td><hr/></td></tr></table>	<u>Option type</u>	<u>Outstanding at 1/1/02</u>	<u>Granted during the year</u>	<u>Outstanding at 31/12/02</u>	2001	566,000	-	566,000	2002	-	277,000	277,000		<hr/>	<hr/>	<hr/>		566,000	277,000	834,000		<hr/>	<hr/>	<hr/>						
<u>Option type</u>	<u>Outstanding at 1/1/02</u>	<u>Granted during the year</u>	<u>Outstanding at 31/12/02</u>																											
2001	566,000	-	566,000																											
2002	-	277,000	277,000																											
	<hr/>	<hr/>	<hr/>																											
	566,000	277,000	834,000																											
	<hr/>	<hr/>	<hr/>																											
Details of share options held by directors and other members of key management during the year are as follows:																														
<table><tr><td></td><td><u>2003</u></td><td><u>2002</u></td></tr><tr><td>At 1 January</td><td>406,000</td><td>267,000</td></tr><tr><td>Granted during the year</td><td>110,000</td><td>139,000</td></tr><tr><td></td><td><hr/></td><td><hr/></td></tr><tr><td>At 31 December</td><td>516,000</td><td>406,000</td></tr><tr><td></td><td><hr/></td><td><hr/></td></tr></table>		<u>2003</u>	<u>2002</u>	At 1 January	406,000	267,000	Granted during the year	110,000	139,000		<hr/>	<hr/>	At 31 December	516,000	406,000		<hr/>	<hr/>												
	<u>2003</u>	<u>2002</u>																												
At 1 January	406,000	267,000																												
Granted during the year	110,000	139,000																												
	<hr/>	<hr/>																												
At 31 December	516,000	406,000																												
	<hr/>	<hr/>																												
<i>Note: In order to satisfy the requirements of IAS 24, Related Party Disclosures, IAS 19.151 requires an enterprise to provide additional disclosure where the an enterprise provides equity compensation benefits to key management personnel.</i>																														
19(r2002).147(d)	8150(c)	Details of specific categories of options are as follows:																												
		<table><tr><td><u>Category</u></td><td><u>Date of grant</u></td><td><u>Vesting period</u></td><td><u>Exercise period</u></td><td><u>Exercise Price</u></td></tr><tr><td>2001</td><td>28/11/01</td><td>1 year</td><td>28/11/02-27/11/06</td><td>2.54</td></tr><tr><td>2002</td><td>15/04/02</td><td>1 year</td><td>15/04/03-14/04/07</td><td>2.36</td></tr><tr><td>2003</td><td>18/07/03</td><td>1 year</td><td>18/07/04-17/07/08</td><td>2.42</td></tr></table>	<u>Category</u>	<u>Date of grant</u>	<u>Vesting period</u>	<u>Exercise period</u>	<u>Exercise Price</u>	2001	28/11/01	1 year	28/11/02-27/11/06	2.54	2002	15/04/02	1 year	15/04/03-14/04/07	2.36	2003	18/07/03	1 year	18/07/04-17/07/08	2.42								
<u>Category</u>	<u>Date of grant</u>	<u>Vesting period</u>	<u>Exercise period</u>	<u>Exercise Price</u>																										
2001	28/11/01	1 year	28/11/02-27/11/06	2.54																										
2002	15/04/02	1 year	15/04/03-14/04/07	2.36																										
2003	18/07/03	1 year	18/07/04-17/07/08	2.42																										

Source	Checklist													
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>												
		<b>45. RETIREMENT BENEFIT PLANS</b>												
		<b>Defined Contribution Plans</b>												
		<p>The Group operates defined contribution retirement benefit plans for all qualifying employees of its construction and leasing divisions in A Land. The assets of the plans are held separately from those of the Group in funds under the control of trustees. Where there are employees who leave the plans prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.</p> <p>The employees of the Group's subsidiary in B Land are members of a state-managed retirement benefit plan operated by the government of B Land. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.</p>												
19(r2002).46	8144	<p>The total cost charged to income of CU9.8 million (2002: CU7.3 million) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31 December 2003, contributions of CU0.7 million (2002: CU0.8 million) due in respect of the current reporting period had not been paid over to the plans.</p>												
		<b>Defined Benefit Plan</b>												
19(r2002).120(b)	8147(a)	<p>The Group operates a defined benefit plan for qualifying employees of its subsidiaries in D Land, and previously for the employees of Subsix Limited. Under the plans, the employees are entitled to retirement benefits varying between 40 and 65 per cent of final salary on attainment of a retirement age of 60. No other post-retirement benefits are provided.</p> <p>The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31/12/2003 by Mr. F.G. Ho, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.</p>												
		<div style="text-align: right;">Valuation at</div> <div style="text-align: right;"><u>31/12/03</u>    <u>31/12/02</u></div>												
19(r2002) 120(h)	8147(f)	<p>Key assumptions used:</p> <table> <tr> <td>Discount rate</td><td>7%</td><td>7%</td></tr> <tr> <td>Expected return on plan assets</td><td>8%</td><td>9%</td></tr> <tr> <td>Expected rate of salary increases</td><td>5%</td><td>5%</td></tr> <tr> <td>Future pension increases</td><td>4%</td><td>4%</td></tr> </table> <p>The actuarial valuation showed that the market value of plan assets was HK\$105 million (2002: CU\$134 million) and that the actuarial valuation of these assets represented 66 per cent (2002: 76 per cent) of the benefits that had accrued to members. The shortfall of HK\$55 million (2002: CU\$43 million) is to be cleared over the estimated remaining average service period of the current membership of 15 years.</p>	Discount rate	7%	7%	Expected return on plan assets	8%	9%	Expected rate of salary increases	5%	5%	Future pension increases	4%	4%
Discount rate	7%	7%												
Expected return on plan assets	8%	9%												
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Future pension increases	4%	4%												

Source	Checklist																						
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																					
19(r2002).120(f)	8145	<p>Amounts recognised in income in respect of these defined benefit plans are as follows:</p> <table> <tr> <th></th><th>Year ended 31/12/03 CU'000</th><th>Year ended 31/12/02 CU'000</th></tr> <tr> <td>Current service cost</td><td>16,449</td><td>12,297</td></tr> <tr> <td>Interest costs</td><td>9,021</td><td>7,057</td></tr> <tr> <td>Expected return on plan assets</td><td>(10,675)</td><td>(9,503)</td></tr> <tr> <td>Net actuarial losses</td><td>232</td><td>1,309</td></tr> <tr> <td>Past service cost</td><td>1,652</td><td>1,888</td></tr> <tr> <td></td><td><u>16,679</u></td><td><u>13,048</u></td></tr> </table>		Year ended 31/12/03 CU'000	Year ended 31/12/02 CU'000	Current service cost	16,449	12,297	Interest costs	9,021	7,057	Expected return on plan assets	(10,675)	(9,503)	Net actuarial losses	232	1,309	Past service cost	1,652	1,888		<u>16,679</u>	<u>13,048</u>
	Year ended 31/12/03 CU'000	Year ended 31/12/02 CU'000																					
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Past service cost	1,652	1,888																					
	<u>16,679</u>	<u>13,048</u>																					
19(r2002).120(f)	8145	<p>The charge for the year has been included in staff costs. <i>[Where analysis of expenditure in the income statement is by nature]</i></p> <p>OR</p> <p>Of the charge for the year, CU12.83 million (2002: CU10.03 million) has been included in cost of sales and CU3.85 million (2002: CU3.02 million) has been included in administrative expenses. <i>[Where analysis of expenditure in the income statement is by function]</i></p>																					
19(r2002).120(g)	8147(e)	The actual return on plan assets was CU10.32 million (2002: CU9.7 million).																					
19(r2002).120(c)	8147(b)	<p>The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit retirement benefit plans is as follows:</p> <table> <tr> <th></th><th>31/12/03 CU'000</th><th>31/12/02 CU'000</th></tr> <tr> <td>Present value of funded obligations</td><td>160,512</td><td>177,395</td></tr> <tr> <td>Unrecognised actuarial losses</td><td>(17,310)</td><td>(15,372)</td></tr> <tr> <td>Unrecognised past service cost</td><td>(4,181)</td><td>(4,721)</td></tr> <tr> <td>Fair value of plan assets</td><td>(105,093)</td><td>(118,828)</td></tr> <tr> <td></td><td><u>33,928</u></td><td><u>38,474</u></td></tr> </table>		31/12/03 CU'000	31/12/02 CU'000	Present value of funded obligations	160,512	177,395	Unrecognised actuarial losses	(17,310)	(15,372)	Unrecognised past service cost	(4,181)	(4,721)	Fair value of plan assets	(105,093)	(118,828)		<u>33,928</u>	<u>38,474</u>			
	31/12/03 CU'000	31/12/02 CU'000																					
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	<u>33,928</u>	<u>38,474</u>																					



Source	Checklist																															
		<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b>																														
19(r2002).120(e)	8147(d)	<p>Movements in the net liability in the current period were as follows:</p> <table> <tr> <th></th><th><u>2003</u> CU'000</th><th><u>2002</u> CU'000</th></tr> <tr> <td>At 1 January</td><td>38,474</td><td>39,438</td></tr> <tr> <td>Exchange differences</td><td>438</td><td>(721)</td></tr> <tr> <td>Net liability transferred on disposal of subsidiary</td><td>(4,932)</td><td>-</td></tr> <tr> <td>Net liability acquired on acquisition of a subsidiary</td><td>2,436</td><td>-</td></tr> <tr> <td>Amounts charged to income</td><td>16,679</td><td>13,048</td></tr> <tr> <td>Contributions</td><td>(19,167)</td><td>(13,291)</td></tr> <tr> <td></td><td><hr/></td><td><hr/></td></tr> <tr> <td>At 31 December</td><td>33,928</td><td>38,474</td></tr> <tr> <td></td><td><hr/></td><td><hr/></td></tr> </table>		<u>2003</u> CU'000	<u>2002</u> CU'000	At 1 January	38,474	39,438	Exchange differences	438	(721)	Net liability transferred on disposal of subsidiary	(4,932)	-	Net liability acquired on acquisition of a subsidiary	2,436	-	Amounts charged to income	16,679	13,048	Contributions	(19,167)	(13,291)		<hr/>	<hr/>	At 31 December	33,928	38,474		<hr/>	<hr/>
	<u>2003</u> CU'000	<u>2002</u> CU'000																														
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At 31 December	33,928	38,474																														
	<hr/>	<hr/>																														
1(r1997).54	4014	<p>Analysis for financial reporting purposes:</p> <table> <tr> <th></th><th><u>31/12/03</u> CU'000</th><th><u>31/12/02</u> CU'000</th></tr> <tr> <td>Current liabilities</td><td>3,732</td><td>4,473</td></tr> <tr> <td>Non-current liabilities</td><td>30,196</td><td>34,001</td></tr> <tr> <td></td><td><hr/></td><td><hr/></td></tr> <tr> <td></td><td>33,928</td><td>38,474</td></tr> <tr> <td></td><td><hr/></td><td><hr/></td></tr> </table>		<u>31/12/03</u> CU'000	<u>31/12/02</u> CU'000	Current liabilities	3,732	4,473	Non-current liabilities	30,196	34,001		<hr/>	<hr/>		33,928	38,474		<hr/>	<hr/>												
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Non-current liabilities	30,196	34,001																														
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	33,928	38,474																														
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10(r1999).20	8178	<p><b>46. EVENTS AFTER THE BALANCE SHEET DATE</b></p> <p>Subsequent to 31 December 2003, the court administration proceedings relating to Subfour Limited (see note 18) were completed and an application was made to wind-up the company. No further distributions to the Group are anticipated. The Group has no obligation to meet the outstanding liabilities of Subfour Limited.</p> <p>On 14 February 2004, the Company made a bonus issue of shares (see note 26).</p>																														
24.22	8172	<p><b>47. RELATED PARTY TRANSACTIONS</b></p>																														
24.20 1(r1997).102(c)	8171 8001(c)	<p>The holding company and ultimate holding company respectively of the Group are X Holdings Limited (incorporated in M Land) and Y Holdings Limited (incorporated in N Land).</p> <p><b>Trading Transactions</b></p>																														
1(r1997).72	8174	<p>During the year, group companies entered into the following transactions with related parties who are not members of the Group:</p>																														

Source	Checklist																																																																											
	<div>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</div> <table><tr><th></th><th colspan="2"><u>Sales of goods</u></th><th colspan="2"><u>Purchases of goods</u></th><th colspan="2"><u>Amounts owed by related parties</u></th><th colspan="2"><u>Amounts owed to related parties</u></th></tr><tr><th></th><th><u>Year ended 31/12/03</u></th><th><u>Year ended 31/12/02</u></th><th><u>Year ended 31/12/03</u></th><th><u>Year ended 31/12/02</u></th><th><u>31/12/03</u></th><th><u>31/12/02</u></th><th><u>31/12/03</u></th><th><u>31/12/02</u></th></tr><tr><th></th><th>CU'000</th><th>CU'000</th><th>CU'000</th><th>CU'000</th><th>CU'000</th><th>CU'000</th><th>CU'000</th><th>CU'000</th></tr><tr><td>X Holdings Ltd.</td><td>693</td><td>582</td><td>439</td><td>427</td><td>209</td><td>197</td><td>231</td><td>139</td></tr><tr><td>Subsidiaries of Y Holdings Ltd.</td><td>1,289</td><td>981</td><td>897</td><td>883</td><td>398</td><td>293</td><td>149</td><td>78</td></tr><tr><td>Associates and a jointly controlled entity</td><td>398</td><td>291</td><td>-</td><td>-</td><td>29</td><td>142</td><td>-</td><td>-</td></tr></table> <p>Sales of goods to related parties were made at the Group's usual list prices, less average discounts of 5 per cent. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.</p> <div>Directors' and Executives' Remuneration</div> <p>The remuneration of directors and other members of key management during the year was as follows:</p> <table><tr><th></th><th><u>Year ended 31/12/03</u></th><th><u>Year ended 31/12/02</u></th></tr><tr><th></th><th>CU'000</th><th>CU'000</th></tr><tr><td>Salaries</td><td>10,681</td><td>9,270</td></tr><tr><td>Contributions paid to retirement benefit schemes</td><td>1,602</td><td>1,391</td></tr><tr><td>Discretionary bonuses</td><td>4,153</td><td>2,769</td></tr><tr><td>Benefits in kind</td><td>949</td><td>863</td></tr><tr><td></td><td>17,385</td><td>14,293</td></tr></table> <p>The remuneration of directors and key executives is decided by the remuneration committee having regard to comparable market statistics.</p> <p><i>Note: IAS 24 does not specifically require the disclosure of the remuneration of directors and key management. The Standard acknowledges that disclosures will generally be specified by local laws or stock exchange regulations. However, if there are no such local requirements, the payment of such remuneration constitutes a transaction between the enterprise and a related party and, as such, is prima facie disclosable.</i></p> <p>In addition to the above, X Holdings Limited performed certain administrative services for the Company, for which a management fee of CU0.18 million (2002: CU0.16 million) was charged, being an appropriate allocation of costs incurred by relevant administrative departments.</p>		<u>Sales of goods</u>		<u>Purchases of goods</u>		<u>Amounts owed by related parties</u>		<u>Amounts owed to related parties</u>			<u>Year ended 31/12/03</u>	<u>Year ended 31/12/02</u>	<u>Year ended 31/12/03</u>	<u>Year ended 31/12/02</u>	<u>31/12/03</u>	<u>31/12/02</u>	<u>31/12/03</u>	<u>31/12/02</u>		CU'000	CU'000	CU'000	CU'000	CU'000	CU'000	CU'000	CU'000	X Holdings Ltd.	693	582	439	427	209	197	231	139	Subsidiaries of Y Holdings Ltd.	1,289	981	897	883	398	293	149	78	Associates and a jointly controlled entity	398	291	-	-	29	142	-	-		<u>Year ended 31/12/03</u>	<u>Year ended 31/12/02</u>		CU'000	CU'000	Salaries	10,681	9,270	Contributions paid to retirement benefit schemes	1,602	1,391	Discretionary bonuses	4,153	2,769	Benefits in kind	949	863		17,385	14,293
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Source	Checklist
	<p><b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 - continued</b></p> <p>The convertible loan notes issued during the period are secured by a personal guarantee of one of the directors. No charge has been made for this guarantee.</p>
10(r1999).16	<p>8175</p> <p><b>48. APPROVAL OF FINANCIAL STATEMENTS</b></p> <p>The financial statements were approved by the board of directors and authorised for issue on 15 March 2004.</p>

Source	Checklist
	<p data-bbox="539 264 906 293"><b>REPORT OF THE AUDITORS</b></p> <div data-bbox="1241 353 1452 474">  </div> <p data-bbox="539 504 914 533">(APPROPRIATE ADDRESSEE)</p> <p data-bbox="539 564 1452 745">We have audited the accompanying balance sheet of International GAAP Holdings Limited as of 31 December 2003 and the related statements of income, cash flows and changes in equity for the year then ended. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audit.</p> <p data-bbox="539 779 1452 1055">We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.</p> <p data-bbox="539 1086 1452 1205">In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2003 and the results of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.</p> <p data-bbox="539 1420 845 1480">Deloitte Touche Tohmatsu 15 March 2004</p> <p data-bbox="539 1818 1452 2029"><i>Note: The audit of the financial statements may be conducted in accordance with International Standards on Auditing (ISA) or applicable local standards, making reference to local laws or regulations. The format of the report above is as specified by ISA 700 <b>The Auditor's Report on Financial Statements</b>. When local auditing standards are used, the report format will be dictated by those local standards.</i></p>



# INTERNATIONAL FINANCIAL REPORTING STANDARDS

## Presentation and Disclosure Checklist



December 2003

This checklist is intended to aid the user in determining if the presentation and disclosure requirements of International Financial Reporting Standards (IFRS) have been met. It does not address the requirements of IFRS as regards recognition and measurement. References are made by IFRS number, followed by the paragraph number e.g. 40.69 refers to paragraph 69 of IAS 40. For those Standards revised since their original issue, the year of the most recent revision is also noted, e.g. 14(r1997).55 refers to paragraph 55 of IAS 14 (Revised 1997).

The checklist addresses the presentation and disclosure requirements of IFRS in issue at 31 August 2003.

All items in Sections 1 to 8 of the checklist are of general application. Sections 9 to 13 address additional disclosures in general purpose financial statements for banks and similar financial institutions, enterprises reporting the effects of changing prices, enterprises reporting in the currency of a hyperinflationary economy, and enterprises engaged in agricultural activity. Section 14 sets out the disclosure requirements on first time application of IFRS.

The checklist does not include the presentation and disclosure requirements of IAS 34 *Interim Financial Reporting* or IAS 26 *Accounting and Reporting by Retirement Benefit Plans*.

## CONTENTS

		Page
Section 1	Information Accompanying Financial Statements	81
Section 2	General Principles of Presentation	82
Section 3	Income Statement	86
Section 4	Balance Sheet	89
Section 5	Statement of Changes in Equity	91
Section 6	Cash Flow Statement	93
Section 7	Accounting Policies	95
Section 8	Explanatory Notes	99
Section 9	Additional Disclosure Requirements - Banks and Similar Financial Institutions (IAS 30)	135
Section 10	Disclosure of Information Reflecting the Effects of Changing Prices (IAS 15)	139
Section 11	Disclosures for Enterprises Reporting in the Currency of a Hyperinflationary Economy (IAS 29)	140
Section 12	Disclosures for Enterprises Engaged in Agricultural Activity (IAS 41)	141
Section 13	Disclosures for Service Concession Arrangements (SIC 29)	144
Section 14	Disclosures on First-Time Application of IFRS (SIC 8 and IFRS 1)	146





## SECTION 1 INFORMATION ACCOMPANYING FINANCIAL STATEMENTS

Ref.	Presentation/Disclosure Requirement	Source
	<p><i>The requirements of International Financial Reporting Standards are confined to matters dealt with in the financial statements.</i></p> <p><i>However, IAS 1 (r1997) encourages enterprises to present, outside the financial statements, a financial review by management which describes and explains the main features of the enterprise's financial performance and financial position, and the principal uncertainties that it faces.</i></p> <p><i>Such a report might include a review of:</i></p> <ul style="list-style-type: none"> <li><i>a) the main factors and influences determining performance, including changes in the environment in which the enterprise operates, the enterprise's response to those changes and their effect, and the enterprise's policy for investment to maintain and enhance performance, including its dividend policy;</i></li> <li><i>b) the enterprise's sources of funding, its policy on gearing and its risk management policies; and</i></li> <li><i>c) the strengths and resources of the enterprise whose value is not reflected in the balance sheet under IFRS.</i></li> </ul> <p><i>Enterprises are also encouraged to present additional statements outside the financial statements, such as environmental reports and value added statements, if management believes that they will assist users in making economic decisions.</i></p>	1(r1997).8,9
	<p><i>Where the enterprise has significant dealings in financial instruments, IAS 32, Financial Instruments: Disclosure and Presentation, suggests that a discussion of management's policies for controlling the risks associated with such instruments would be helpful. Matters to be addressed might include policies on matters such as hedging of risk exposure, avoidance of undue concentrations of risk, and requirements for collateral to mitigate credit risks.</i></p>	32(r1998).42

## SECTION 2 GENERAL PRINCIPLES OF PRESENTATION

Ref.	Presentation/Disclosure Requirement	Source
	<b>COMPONENTS OF FINANCIAL STATEMENTS</b>	
2001	<p>The financial statements should include the following components:</p> <ul style="list-style-type: none"> <li>a) balance sheet;</li> <li>b) income statement;</li> <li>c) a statement showing either: <ul style="list-style-type: none"> <li>i) all changes in equity; or</li> <li>ii) changes in equity other than those arising from capital transactions with owners and distributions to owners;</li> </ul> </li> <li>d) cash flow statement; and</li> <li>e) accounting policies and explanatory notes.</li> </ul>	1(r1997).7
	<b>FAIR PRESENTATION AND COMPLIANCE WITH IFRS</b>	
2002	The financial statements should present fairly the financial position, financial performance and cash flows of the enterprise.	1(r1997).10
2003	The financial statements should disclose the fact that they comply with International Financial Reporting Standards.	1(r1997).11
	<p><i>Notes:</i></p> <ol style="list-style-type: none"> <li>1. <i>Financial statements should not be described as complying with IFRS unless they comply with all of the requirements of each applicable Standard and each applicable Interpretation of the International Financial Reporting Standards Interpretations Committee.</i></li> <li>2. <i>A particular exemption is permitted in respect of IAS 15, Information Reflecting the Effects of Changing Prices. Arising from the failure to reach international consensus on the disclosure of information reflecting the effects of changing prices, enterprises need not disclose the information required by IAS 15 in order that their financial statements conform with IFRS.</i></li> </ol>	
2004	<p>In the extremely rare circumstances where management concludes that compliance with a Standard would be misleading, and therefore that departure is necessary to achieve a fair presentation, the following information should be disclosed:</p> <ul style="list-style-type: none"> <li>a) the fact that management has concluded that the financial statements fairly present the enterprise's financial position, financial performance and cash flows;</li> <li>b) that applicable Standards have been complied with in all material respects, except for a departure from a Standard in order to achieve a fair presentation;</li> <li>c) i) the Standard from which the enterprise has departed;</li> <li>ii) the nature of the departure (including the treatment that the Standard would require);</li> </ul>	1(r1997).13

Ref.	Presentation/Disclosure Requirement	Source
	<ul style="list-style-type: none"> <li>iii) the reason why that treatment would be misleading in the circumstances; and</li> <li>iv) the treatment adopted; and</li> <li>d) the financial impact of the departure on the enterprise's net profit or loss, assets, liabilities, equity and cash flows for each period presented.</li> </ul>	
2005	When, in accordance with the specific requirements in that Standard, an IFRS is applied before its effective date, that fact should be disclosed.	1(r1997).19
	<b>GOING CONCERN</b>	
2006	When management is aware, in making its assessment of the enterprise's ability to continue as a going concern, of any material uncertainties related to events or conditions which may cast significant doubt upon the enterprise's ability to continue as a going concern, those uncertainties should be disclosed.	1(r1997).23
2007	When the financial statements are not prepared on a going concern basis, that fact should be disclosed, together with the basis on which the financial statements are prepared and the reason why the enterprise is not considered to be a going concern.	1(r1997).23
	<b>CONSISTENCY OF PRESENTATION</b>	
2008	<p>The presentation and classification of items in the financial statements should be retained from one period to the next, unless:</p> <ul style="list-style-type: none"> <li>a) a significant change in the nature of the operations of the enterprise or a review of its financial statements presentation demonstrates that the change will result in a more appropriate presentation of events or transactions; or</li> <li>b) a change in presentation is required by an IFRS or by an Interpretation of the International Financial Reporting Standards Interpretations Committee.</li> </ul>	1(r1997).27
	<b>MEASUREMENT/PRESENTATION CURRENCY</b>	
2009	When the measurement currency used for the purposes of preparing the financial statements is different from the currency of the country in which the enterprise is domiciled, the reason for using a different currency should be disclosed.	21(r1993).43 SIC 19.10(a)
2010	<p>When the financial statements are presented in a currency different from the enterprise's measurement currency determined under SIC 19, the following should be disclosed:</p> <ul style="list-style-type: none"> <li>a) the measurement currency;</li> <li>b) the reason for using a different presentation currency;</li> <li>c) a description of the method used in the translation process; and</li> <li>d) a statement that the measurement currency reflects the economic substance of the underlying events and circumstances of the enterprise.</li> </ul>	SIC 19.10(c) SIC 30.8
2011	When financial statements are presented in a currency other than the measurement currency determined under SIC 19, and the measurement currency is the currency of a hyperinflationary economy, the enterprise should disclose the closing exchange rates between the measurement currency and the presentation currency existing at the date of each balance sheet presented, in addition to the disclosures required by IAS 29.39 (see item 11004).	SIC 30.9

Ref.	Presentation/Disclosure Requirement	Source
2012	The reason for any change in the measurement currency or the presentation currency should be disclosed.	21(r1993).43 SIC 19.10(b)
2013	When additional information not required by IFRS is displayed in financial statements and in a currency other than the currency used in presenting the financial statements, as a convenience to users, the enterprise should: <ul style="list-style-type: none"> <li>a) clearly identify the information as supplementary information to distinguish it from the information required by IFRS;</li> <li>b) disclose the measurement currency used to prepare the financial statements and the method of translation used to determine the supplementary information displayed;</li> <li>c) disclose the fact that the measurement currency reflects the economic substance of the underlying events and circumstances of the enterprise and that the supplementary information is displayed in another currency for convenience purposes only; and</li> <li>d) disclose the currency in which the supplementary information is displayed.</li> </ul> <b>MATERIALITY, AGGREGATION AND OFFSETTING</b>	SIC 30.10
2014	Each material item should be presented separately in the financial statements.	1(r1997).29
2015	Immaterial items should be aggregated with amounts of a similar nature or function and need not be presented separately.	1(r1997).29
2016	Assets and liabilities should not be offset except when offsetting is required or permitted by another IFRS.	1(r1997).33
2017	Items of income and expense should be offset when, and only when: <ul style="list-style-type: none"> <li>a) an IFRS requires or permits it; or</li> <li>b) immaterial gains, losses and related expenses arising from the same or similar transactions and events are aggregated.</li> </ul> <b>COMPARATIVE INFORMATION</b>	1(r1997).34
2018	Unless an IFRS permits or requires otherwise, comparative information should be disclosed in respect of the previous period for all numerical information in the financial statements.	1(r1997).38
2019	Comparative information should be included for narrative and descriptive information when it is relevant to an understanding of the current year's financial statements.	1(r1997).38
2020	When the presentation or classification of items in the financial statements is amended: <ul style="list-style-type: none"> <li>a) comparative amounts should be reclassified, unless it is impracticable to do so;</li> <li>b) the nature of, amount of, and reason for, any reclassification should be disclosed; and</li> <li>c) when it is not practicable to reclassify comparative amounts, the enterprise should disclose the reason for not doing so, as well as the nature of the changes that would have been made if amounts were reclassified.</li> </ul>	1(r1997).40

Ref.	Presentation/Disclosure Requirement	Source
	<b>STRUCTURE AND CONTENT</b>	
2021	The financial statements should be clearly identified and distinguished from other information in the same published document.	1(r1997).44
2022	Each component of the financial statements should be clearly identified.	1(r1997).46
2023	<p>The following information should be prominently displayed, and repeated when it is necessary for a proper understanding of the information presented:</p> <ul style="list-style-type: none"> <li>a) the name of the reporting enterprise or other means of identification;</li> <li>b) whether the financial statements cover the individual enterprise or a group of enterprises;</li> <li>c) the balance sheet date or the period covered by the financial statements, whichever is appropriate to the related component of the financial statements;</li> <li>d) the reporting currency; and</li> <li>e) the level of precision used in the presentation of figures (e.g. in thousands or millions of units of the reporting currency).</li> </ul>	1(r1997).46
2024	<p>When, in exceptional circumstances, the balance sheet date changes and annual financial statements are presented for a period longer or shorter than one year, the enterprise should disclose:</p> <ul style="list-style-type: none"> <li>a) the period covered by the financial statements;</li> <li>b) the reason for a period other than one year being used; and</li> <li>c) the fact that comparative amounts for the income statement, changes in equity, cash flows and related notes are not comparable.</li> </ul>	1(r1997).49

## SECTION 3 INCOME STATEMENT

Ref.	Presentation/Disclosure Requirement	Source
	<b>CONTENTS – GENERAL</b>	
3001	All items of income and expense recognised in the period should be included in the determination of the net profit and loss for the period, unless an IFRS requires or permits otherwise.	8(r1993).7
3002	As a minimum, the face of the income statement should include line items which present the following amounts: a) revenue; b) the results of operating activities; c) finance costs; d) share of profits and losses of associates and joint ventures accounted for using the equity method; e) tax expense/income tax related to profit or loss from ordinary activities; f) profit or loss from ordinary activities; g) extraordinary items; h) minority interest; and i) net profit or loss for the period.	1(r1997).75 8(r1993).10 12(r2000).77 27(r2000).26
3003	Additional line items, headings and sub-totals should be presented on the face of the income statement when required by an IFRS, or when such presentation is necessary to present fairly the enterprise's financial performance.	1(r1997).75
3004	In respect of discontinuing operations, the amount of the pre-tax gain or loss recognised on the disposal of assets or settlement of liabilities attributable to a discontinuing operation should be disclosed on the face of the income statement.	35.39
3005	The investor's share of the profits or losses of associates accounted for using the equity method should be disclosed as a separate item in the income statement.	28(r2000).28
	<b>ANALYSIS OF EXPENSES</b>	
3006	The financial statements should present, either on the face of the income statement or in the notes to the income statement, an analysis of expenses using a classification based on either the nature of the expenses (staff costs, depreciation etc.) or their function within the enterprise (cost of sales, distribution costs, administrative expenses etc.).	1(r1997).77
3007	When expenses are classified by function, additional information should be disclosed on the nature of expenses, including depreciation and amortisation expense, and staff costs.	1(r1997).83

Ref.	Presentation/Disclosure Requirement	Source
	<b>EARNINGS PER SHARE</b>  <i>Note: IAS 33, Earnings Per Share, applies to enterprises whose ordinary shares or potential ordinary shares are publicly traded, to enterprises in the process of issuing ordinary shares or potential ordinary shares in public securities markets, and to any other enterprise which discloses earnings per share. When both parent and consolidated financial statements are presented, earnings per share information need be presented only on the basis of consolidated information.</i>	
3008	Basic and diluted earnings/(loss) per share should be presented on the face of the income statement (with equal prominence for all periods presented) for each class of ordinary shares that has a different right to share in the net profit for the period.	33.47,48
3009	<p>The enterprise should disclose the following:</p> <ul style="list-style-type: none"> <li>a) the amounts used as the numerators in calculating basic and diluted earnings per share, and a reconciliation of those amounts to the net profit or loss for the period; and</li> <li>b) the weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share, and a reconciliation of those denominators to each other.</li> </ul>	33.49
3010	<p>If additional per share amounts are presented:</p> <ul style="list-style-type: none"> <li>a) where a reported component of net profit other than net profit or loss for the period attributable to ordinary shareholders is used as the numerator, the per share amounts should be calculated using the weighted average number of ordinary shares determined in accordance with IAS 33;</li> <li>b) where the numerator is a component of net profit which is not reported as a line item in the income statement, a reconciliation should be provided between the component used and a line item which is reported in the income statement; and</li> <li>c) basic and diluted per share amounts should be presented with equal prominence.</li> </ul>	33.51
3011	<p>The calculation of the basic and diluted earnings per share for all periods presented should be adjusted retrospectively for:</p> <ul style="list-style-type: none"> <li>a) any increases in the number of shares or potential ordinary shares outstanding during the period as a result of a capitalisation or bonus issue or share split;</li> <li>b) any decreases in the number of shares or potential ordinary shares outstanding during the period as a result of a reverse share split;</li> <li>c) any such increases or decreases that occur after the balance sheet date but before the issue of the financial statements;</li> <li>d) the effects of fundamental errors reported by adjusting the opening balance of retained earnings;</li> <li>e) any adjustments resulting from changes in accounting policies which have been applied retrospectively; and</li> <li>f) the effects of a business combination which is a uniting of interests.</li> </ul>	33.43



Ref.	Presentation/Disclosure Requirement	Source
3012	Where applicable, the fact should be disclosed that per share calculations have been adjusted retrospectively to reflect increases/decreases in the number of ordinary or potential ordinary shares outstanding arising from capitalisation issues or share splits/reverse share splits.	33.43

## SECTION 4 BALANCE SHEET

Ref.	Presentation/Disclosure Requirement	Source
	<b>CONTENTS – GENERAL</b>	
4001	As a minimum, the face of the balance sheet should include line items which present the following amounts: <ul style="list-style-type: none"> <li>a) property, plant and equipment;</li> <li>b) intangible assets;</li> <li>c) financial assets (excluding amounts under (d), (f) and (g));</li> <li>d) investments accounted for using the equity method;</li> <li>e) inventories;</li> <li>f) trade and other receivables;</li> <li>g) cash and cash equivalents;</li> <li>h) trade and other payables;</li> <li>i) tax liabilities/assets as required by IAS 12 (r2000) <i>Income Taxes</i>;</li> <li>j) provisions;</li> <li>k) non-current interest-bearing liabilities;</li> <li>l) minority interest; and</li> <li>m) issued capital and reserves.</li> </ul>	1(r1997).66
4002	Additional line items, headings and sub-totals should be presented on the face of the balance sheet where an IFRS requires it, or when such presentation is necessary to present fairly the enterprise's financial position.	1(r1997).67
4003	An enterprise should disclose, either on the face of the balance sheet or in the notes, further sub-classifications of the line items presented, classified by the nature of the items, in a manner appropriate to the enterprise's operations.	1(r1997).72
4004	Investments in associates accounted for using the equity method should be classified as long-term assets and disclosed as a separate item in the balance sheet.	28(r2000).28
4005	Minority interests should be presented in the consolidated balance sheet separately from liabilities and the parent shareholders' equity.	27(r2000).26
	<b>CURRENT/NON-CURRENT DISTINCTION</b>	
4006	Each enterprise should determine, based on the nature of its operations, whether or not to present current and non-current assets, and current and non-current liabilities as separate classifications on the face of the balance sheet.	1(r1997).53
4007	Where current and non-current assets, and current and non-current liabilities, are not presented as separate classifications on the face of the balance sheet, assets and liabilities should be presented broadly in order of their liquidity.	1(r1997).53

Ref.	Presentation/Disclosure Requirement	Source
4008	<p>An asset should be classified as a current asset when:</p> <ul style="list-style-type: none"> <li>a) it is expected to be realised in, or is held for sale or consumption in, the normal course of the enterprise's operating cycle; or</li> <li>b) it is held primarily for trading purposes or for the short-term, and is expected to be realised within 12 months of the balance sheet date; or</li> <li>c) it is cash or a cash equivalent asset which is not restricted in its use.</li> </ul>	1(r1997).57
4009	All assets, other than those meeting one of the criteria outlined in item 4008 above, should be classified as non-current assets.	1(r1997).57
4010	<p>A liability should be classified as a current liability when:</p> <ul style="list-style-type: none"> <li>a) it is expected to be settled in the normal course of the enterprise's operating cycle; or</li> <li>b) it is due to be settled within 12 months of the balance sheet date.</li> </ul>	1(r1997).60
4011	All liabilities, other than those meeting one of the criteria outlined in item 4010 above, should be classified as non-current liabilities.	1(r1997).60
4012	<p>An enterprise should continue to classify its long-term interest-bearing liabilities as non-current, even when they are due to be settled within 12 months of the balance sheet date, if:</p> <ul style="list-style-type: none"> <li>a) the original term was for a period of more than 12 months;</li> <li>b) it is intended to refinance the obligation on a long-term basis; and</li> <li>c) that intention is supported by an agreement to refinance, or to reschedule payments, which is completed before the financial statements are authorised for issue.</li> </ul>	1(r1997).63
4013	The amount of any liability that has been excluded from current liabilities in accordance with item 4012 above should be disclosed in the notes to the financial statements, together with information in support of this presentation.	1(r1997).63
4014	Irrespective of whether the enterprise presents current and non-current assets, and current and non-current liabilities, separately, for each asset and liability item that combines amounts expected to be recovered or settled both before and after 12 months, the enterprise should disclose the amount expected to be recovered or settled after more than 12 months.	1(r1997).54

## SECTION 5 STATEMENT OF CHANGES IN EQUITY

Ref.	Presentation/Disclosure Requirement	Source
	<p><i>Note: IAS 1(r1997) acknowledges that the requirement to present a statement of changes in equity can be met in a number of ways. The approach adopted in many jurisdictions follows a columnar format, which reconciles between the opening and closing balances of each element within shareholders' equity, encompassing all of the items listed at 5001 and 5002 below. An alternative is to present a separate component of the financial statements which presents only the items specified by 5001 below. Under this approach, the items described in 5002 are shown in the notes to the financial statements. Both approaches are illustrated in the appendix to IAS 1 (r1997). Whichever approach is adopted, a sub-total of the items specified by 5001(b) is required, in order to enable users to derive the total gains and losses arising from the enterprise's activities during the period.</i></p>	
5001	<p>An enterprise should present, as a separate component of the financial statements, a statement showing:</p> <ul style="list-style-type: none"> <li>a) the net profit or loss for the period;</li> <li>b) each item of income and expense, gain or loss which, as required by other Standards, is recognised directly in equity, and the total of those items; and</li> <li>c) the cumulative effect of changes in accounting policy and the correction of fundamental errors dealt with under the benchmark treatments of IAS 8 <i>Net Profit or Loss for the Period, Fundamental Errors, and Changes in Accounting Policies</i>.</li> </ul>	<p>1(r1997).86(a)</p> <p>1(r1997).86(b)</p> <p>1(r1997).86(c)</p>
5002	<p>The following items should be presented, either within the statement referred to in item 5001, or in the notes to the financial statements:</p> <ul style="list-style-type: none"> <li>a) capital transactions with owners and distributions to owners;</li> <li>b) the balance of accumulated profit or loss at the beginning of the period and at the balance sheet date, and movements for the period; and</li> <li>c) a reconciliation between the carrying amount of each class of equity capital, share premium and each reserve at the beginning and end of the period, separately disclosing each movement.</li> </ul>	<p>1(r1997).86(d)</p> <p>1(r1997).86(e)</p> <p>1(r1997).86(f)</p>
5003	<p>The following amounts charged or credited directly to equity should be separately disclosed (as required by specific Standards):</p> <ul style="list-style-type: none"> <li>a) the aggregate current tax relating to items that are charged or credited to equity;</li> <li>b) the aggregate deferred tax relating to items that are charged or credited to equity;</li> <li>c) the revaluation surplus arising on property, plant and equipment, indicating the movement for the period and any restrictions on the distribution of the balance to shareholders;</li> <li>d) the amount of the revaluation surplus that relates to intangible assets at the beginning and end of the period, indicating the changes during the period and any restrictions on the distribution of the balance to shareholders;</li> </ul>	<p>12(r2000).81(a)</p> <p>12(r2000).81(a)</p> <p>16(r1998).64(f)</p> <p>38.113(b)</p>

Ref.	Presentation/Disclosure Requirement	Source
	<p>e) the amount recognised in equity in the period for gains/losses from remeasuring available-for-sale financial assets to fair value, and the amount that was removed from equity and reported in net profit or loss for the period;</p> <p>f) the net exchange difference classified as equity, and a reconciliation of the amount of such exchange differences at the beginning and end of the period;</p> <p>g) the amount of reductions to equity for treasury shares held; and</p> <p>h) the amount of transaction costs accounted for as a deduction from equity in the period.</p>	<p>39(r2000).170(a)</p> <p>21(r1993).42(b)</p> <p>SIC 16.6</p> <p>SIC 17.9</p>

## SECTION 6 CASH FLOW STATEMENT

Ref.	Presentation/Disclosure Requirement	Source
6001	A cash flow statement should be presented as an integral part of the financial statements for each period for which financial statements are presented.	7(r1992).1
	<b>CLASSIFICATION OF CASH FLOWS</b>	
6002	The cash flow statement should report cash flows during the period classified by operating, investing and financing activities.	7(r1992).10
6003	The enterprise should report cash flows from operating activities using either: <ul style="list-style-type: none"> <li>a) the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed; or</li> <li>b) the indirect method, whereby net 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.</li> </ul>	7(r1992).18
6004	Major classes of gross cash receipts and gross cash payments arising from investing and financing activities should be separately reported, except to the extent that they are specifically permitted by the Standard to be presented on a net basis.  <i>Note:</i>  <i>The following classes of cash flow may be reported on a net basis:</i> <ul style="list-style-type: none"> <li>a) <i>cash flows arising from the following operating, investing or financing activities:</i> <ul style="list-style-type: none"> <li>i) <i>cash receipts and payments on behalf of customers when the cash flows reflect the activities of the customer rather than those of the enterprise; and</i></li> <li>ii) <i>receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short; and</i></li> </ul> </li> <li>b) <i>cash flows arising from each of the following activities of a financial institution:</i> <ul style="list-style-type: none"> <li>i) <i>cash receipts and payments for the acceptance and repayment of deposits with a fixed maturity date;</i></li> <li>ii) <i>the placement of deposits with and withdrawal of deposits from other financial institutions; and</i></li> <li>iii) <i>cash advances and loans made to customers and the repayment of those advances and loans.</i></li> </ul> </li> </ul>	7(r1992).21, 22,24
	<b>EXTRAORDINARY ITEMS</b>	
6005	The cash flows associated with extraordinary items should be classified as arising from operating, investing or financing activities as appropriate and separately disclosed.	7(r1992).29
	<b>INTEREST AND DIVIDENDS</b>	
6006	Cash flows from interest and dividends received and paid should each be disclosed separately.	7(r1992).31

Ref.	Presentation/Disclosure Requirement	Source
6007	Cash flows from interest and dividends received and paid should each be classified in a consistent manner from period to period as either operating, investing or financing activities.	7(r1992).31
	<b>TAXES ON INCOME</b>	
6008	Cash flows arising from taxes on income should be separately disclosed.	7(r1992).35
6009	Cash flows arising from taxes on income should be classified as cash flows from operating activities unless they can be specifically identified with financing or investing activities.	7(r1992).35
	<i>Note: When tax cash flows are allocated over more than one class of activity, the total amount of taxes paid should be disclosed.</i>	7(r1992).36
	<b>ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND OTHER BUSINESS UNITS</b>	
6010	The aggregate cash flows arising from acquisitions and disposals of subsidiaries or other business units should be presented separately and classified as investing activities.	7(r1992).39
6011	The following information should be disclosed, in aggregate, in respect of both acquisitions and disposals of subsidiaries or other business units during the period:  a) the total purchase or disposal consideration;  b) the portion of the purchase or disposal consideration discharged by means of cash and cash equivalents;  c) the amount of cash and cash equivalents in the subsidiary or business unit acquired or disposed of; and  d) the amounts of the assets and liabilities other than cash or cash equivalents in the subsidiary or business unit acquired or disposed of, summarised by major category.	7(r1992).40
	<b>NON-CASH TRANSACTIONS</b>	
6012	Investing and financing transactions that do not require the use of cash or cash equivalents should be excluded from the cash flow statement.	7(r1992).43
6013	Investing and financing transactions that do not require the use of cash or cash equivalents should be disclosed elsewhere in the financial statements in a manner that provides all of the relevant information about those investing and financing activities.	7(r1992).43
	<b>OTHER DISCLOSURES</b>	
6014	The components of cash and cash equivalents should be disclosed.	7(r1992).45
6015	A reconciliation should be presented of the amounts of the components of cash and cash equivalents in the cash flow statement with the equivalent items reported in the balance sheet.	7(r1992).45
6016	The enterprise should disclose the amount of significant cash and cash equivalent balances held by the enterprise that are not available for use by the group, together with a commentary by management.	7(r1992).48

## ACCOUNTING POLICIES

Ref.	Presentation/Disclosure Requirement	Source
	<b>GENERAL REQUIREMENTS</b>	
7001	The notes to the financial statements should present information about the basis of preparation of the financial statements and the specific accounting policies selected and applied for significant transactions and events.	1(r1997).91(a)
7002	The accounting policies section of the notes should describe:	1(r1997).97
	a) the measurement basis (bases) used in preparing the financial statements; and	
	b) each specific accounting policy that is necessary for a proper understanding of the financial statements.	
	<b>POLICIES REQUIRED TO BE DISCLOSED BY SPECIFIC STANDARDS</b>	
7003	The following accounting policies should be disclosed, as required by specific Standards:	
	a) Subsidiaries	
	- in the parent's separate financial statements, the method used to account for subsidiaries.	27(r2000).32(c)
	b) Associates	
	- the methods used to account for investments in associates.	28(r2000).27(b)
	c) Goodwill	
	- the amortisation period adopted;	22(r1998).88(a)
	- if goodwill is amortised over more than 20 years:	22(r1998).88(b)
	i) the justification for rebuttal of the presumption that the useful life of goodwill will not exceed 20 years from initial recognition; and	
	ii) a description of the factor(s) that played a significant role in determining the life of goodwill;	
	- if goodwill is not amortised on a straight-line basis, the basis used and the reason why that basis is more appropriate than the straight-line basis; and	22(r1998).88(c)
	- the line item(s) of the income statement in which the amortisation of goodwill is included.	22(r1998).88(d)
	d) Negative goodwill	
	- the period(s) over which negative goodwill is recognised as income; and	22(r1998).91(b)
	- the line item(s) of the income statement in which negative goodwill is recognised as income.	22(r1998).91(c)
	e) Goodwill and fair value adjustments	
	- the method selected in accordance with IAS 21 (r1993) (see below) to translate goodwill and fair value adjustments arising on the acquisition of a foreign entity.	21(r1993).45



Ref.	Presentation/Disclosure Requirement	Source
	<p><i>Note:</i></p> <p><i>IAS 21(r1993), paragraph 33 states that goodwill and fair value adjustments to the carrying amounts of assets and liabilities are treated either:</i></p> <p><i>i) as assets and liabilities of the foreign entity and translated at the closing rate in accordance with IAS 21(r1993), paragraph 30; or</i></p> <p><i>ii) as assets and liabilities of the reporting entity, which either are already expressed in the reporting currency or are non-monetary foreign currency items reported using the exchange rate at the transaction date in accordance with IAS 21(r1993), paragraph 11(b).</i></p>	
	<p>f) Revenue</p> <ul style="list-style-type: none"> <li>- 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.</li> </ul>	18(r1993).35(a)
	<p>g) Construction contracts</p> <ul style="list-style-type: none"> <li>- the methods used to determine the contract revenue recognised in the period; and</li> <li>- the methods used to determine the stage of completion of contracts in progress.</li> </ul>	11(r1993).39(b) 11(r1993).39(c)
	<p>h) Borrowing costs</p> <ul style="list-style-type: none"> <li>- the accounting policy adopted for borrowing costs.</li> </ul>	23(r1993).29(a)
	<p>i) Government grants</p> <ul style="list-style-type: none"> <li>- the accounting policy adopted for government grants, including the methods of presentation adopted in the financial statements.</li> </ul>	20.39(a)
	<p>j) Retirement benefit costs</p> <ul style="list-style-type: none"> <li>- for defined benefit plans, the enterprise's accounting policy for recognising actuarial gains and losses.</li> </ul>	19(r2002).120(a)
	<p>k) Equity compensation plans</p> <ul style="list-style-type: none"> <li>- the accounting policy for equity compensation plans.</li> </ul>	19(r2002).147(b)
	<p>l) Property, plant and equipment - for each class of asset</p> <ul style="list-style-type: none"> <li>- the measurement basis used for determining the gross carrying amount;</li> <li>- the depreciation methods used;</li> <li>- the useful lives or the depreciation rates used; and</li> <li>- the accounting policy for the estimated costs of restoring the site of items of property, plant or equipment.</li> </ul>	16(r1998).60(a) 16(r1998).60(b) 16(r1998).60(c) 16(r1998).61(b)

Ref.	Presentation/Disclosure Requirement	Source
	m) Investment property carried at cost less accumulated depreciation:	
	- the depreciation methods used; and	40.69(a)
	- the useful lives or the depreciation rates used.	40.69(b)
	n) Intangible assets - for each class of asset, distinguishing between internally-generated intangible assets and other intangible assets:	
	- the useful lives or the amortisation rates used;	38.107(a)
	- the amortisation methods used;	38.107(b)
	- the line item(s) of the income statement in which the amortisation of intangible assets is included;	38.107(d)
	- if an intangible asset is amortised over more than 20 years:	38.111(a)
	i) the justification for rebuttal of the presumption that the useful life of an intangible asset will not exceed 20 years from the date when the asset is available for use; and	
	ii) a description of the factor(s) that played a significant role in determining the useful life of the asset; and	
	- for intangible assets acquired by way of a government grant and initially recognised at fair value, whether they are carried under the benchmark or the allowed alternative treatment for subsequent measurement.	38.111(c)(iii)
	o) Inventories	
	- the accounting policies adopted in measuring inventories, including the cost formula used.	2(r1993).34(a)
	p) Financial instruments	
	- the accounting policies and methods adopted for each class of financial asset, financial liability and equity instrument, both recognised and unrecognised, including the criteria for recognition and the basis of measurement applied;	32(r1998).47(b)
	- the methods and significant assumptions (separately for each significant class of financial asset) applied in estimating fair values for the financial assets and liabilities that are carried at fair value;	39(r2000).167(a)
	- whether gains and losses arising from changes in the fair value of available-for-sale financial assets carried at fair value are included in net income for the period or are recognised directly in equity until the financial asset is disposed of; and	39(r2000).167(b)
	- for each category of financial assets defined in IAS 39(r2000), whether 'regular way' purchases and sales of financial assets are accounted for at trade date or settlement date.	39(r2000).167(c)

Ref.	Presentation/Disclosure Requirement	Source
	<b>CHANGES IN ACCOUNTING POLICIES</b>	
7004	<p>Where the benchmark treatment is adopted for changes in accounting policies, and a change in accounting policy has a material effect on the current period or any prior period presented, or may have a material effect in subsequent periods, the following should be disclosed:</p> <ul style="list-style-type: none"> <li>a) the reasons for the change;</li> <li>b) the amount of the adjustment for the current period and for each period presented;</li> <li>c) the amount of the adjustment relating to periods prior to those included in the comparative information; and</li> <li>d) the fact that comparative information has been restated or that it is impracticable to do so.</li> </ul>	8(r1993).53
7005	<p>Where the allowed alternative treatment is adopted for changes in accounting policies, and a change in accounting policy has a material effect on the current period or any prior period presented, or may have a material effect in subsequent periods, the following should be disclosed:</p> <ul style="list-style-type: none"> <li>a) the reasons for the change;</li> <li>b) the amount of the adjustment recognised in net profit or loss in the current period;</li> <li>c) additional proforma information prepared in accordance with the benchmark treatment;</li> <li>d) the amount of the adjustment included in each period for which proforma information is presented and the amount of the adjustment relating to periods prior to those included in the financial statements; and</li> <li>e) where it is impracticable to present proforma information, a statement of that fact.</li> </ul>	8(r1993).54,57

## SECTION 8 EXPLANATORY NOTES

Ref.	Presentation/Disclosure Requirement	Source
	<b>GENERAL</b>	
8001	<p>The following details should be disclosed in the financial statements, if they are not disclosed elsewhere in information published with the financial statements:</p> <ul style="list-style-type: none"> <li>a) the domicile and legal form of the enterprise, its country of incorporation and registered office address (or principal place of business, if different from the registered office);</li> <li>b) a description of the nature of the enterprise's operations and its principal activities;</li> <li>c) the name of the parent enterprise and the ultimate parent enterprise of the group; and</li> <li>d) either the number of employees at the end of the period, or the average for the period.</li> </ul>	1(r1997).102
8002	<p>The notes to the financial statements should:</p> <ul style="list-style-type: none"> <li>a) disclose the information required by IFRS that is not presented elsewhere in the financial statements; and</li> <li>b) provide additional information that is not presented on the face of the financial statements, but which is necessary for a fair presentation.</li> </ul>	1(r1997).91(b), (c)
8003	The notes to the financial statements should be presented in a systematic manner, with each item on the face of the balance sheet, income statement and cash flow statement cross-referenced to any related information in the notes.	1(r1997).92
	<b>FUNDAMENTAL ERRORS</b>	
8004	<p>Where the benchmark treatment is adopted for fundamental errors, the following should be disclosed:</p> <ul style="list-style-type: none"> <li>a) the nature of the fundamental error;</li> <li>b) the amount of the correction for the current period and for each prior period presented;</li> <li>c) the amount of the correction relating to periods prior to those included in the comparative information; and</li> <li>d) the fact that comparative information has been restated or that it is impracticable to do so.</li> </ul>	8(r1993).37
8005	<p>Where the allowed alternative treatment is adopted for fundamental errors, the following should be disclosed:</p> <ul style="list-style-type: none"> <li>a) the nature of the fundamental error;</li> <li>b) the amount of the correction recognised in net profit or loss for the current period;</li> <li>c) additional proforma information prepared in accordance with the benchmark treatment;</li> </ul>	8(r1993).38,40

Ref.	Presentation/Disclosure Requirement	Source
	<p>d) unless it is impracticable to do so, the amount of the correction included in each period for which proforma information is presented and the amount of the correction relating to periods prior to those included in the proforma information; and</p> <p>e) where it is impracticable to present proforma information, a statement of that fact.</p> <p><b>CHANGES IN ACCOUNTING ESTIMATES</b></p>	
8006	The effect of a change in an accounting estimate should be included in the same income statement classification as was used previously for the estimate.	8(r1993).28
8007	The nature and, unless it is impracticable to do so, the amount of a change in accounting estimate that has a material effect in the current period, or which is expected to have a material effect in subsequent periods, should be disclosed.	8(r1993).30
8008	If it is impracticable to quantify the amount of a change in accounting estimate that has a material effect in the current period, or which is expected to have a material effect in subsequent periods, that fact should be disclosed.	8(r1993).30
8009	If an estimate of an amount reported in an interim period is changed significantly during the final interim period of the financial year, but a separate financial report is not issued for that final interim period, the nature and amount of that change in estimate should be disclosed in a note to the annual financial statements for that financial year.	34.26
	<p><b>SEGMENT REPORTING</b></p> <p><i>Notes:</i></p> <p>1. <i>IAS 14 (r1997), Segment Reporting, applies to enterprises whose equity or debt securities are publicly traded, to enterprises that are in the process of issuing equity or debt securities in public securities markets, and to any other enterprise that voluntarily discloses segment information.</i></p> <p>2. <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 enterprise, segment information need be presented only on the basis of the investing enterprise's financial statements. If any subsidiary or equity method associate or joint venture is itself an enterprise whose securities are publicly traded, it should present segment information in its own financial report.</i></p>	
8010	The following disclosures should be made for each reportable segment based on the enterprise's primary reporting format:	14(r1997).50
	a) segment revenue, separately distinguishing segment revenue from sales to external customers and segment revenue from transactions with other segments;	14(r1997).51
	b) segment result;	14(r1997).52
	c) total carrying amount of segment assets;	14(r1997).55
	d) segment liabilities;	14(r1997).56

Ref.	Presentation/Disclosure Requirement	Source
	<p>e) 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);</p> <p><i>Note: This information should be presented on an accrual basis, not a cash basis.</i></p> <p>f) total amount of expense included in segment results for depreciation and amortisation of segment assets for the period;</p> <p>g) total amount of significant non-cash expenses, other than depreciation and amortisation, that are included in segment expense and, therefore, deducted in measuring segment result;</p> <p>h) the aggregate of the enterprise'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 operations are within that single segment; and</p> <p>i) where the enterprise's share of the net profit or loss of associates, joint ventures or other investments accounted for under the equity method is disclosed under (h) above, the aggregate investments in those associates, joint ventures or other investments.</p> <p><i>Notes:</i></p> <p>1. <i>Enterprises are encouraged, 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.</i></p> <p>2. <i>An enterprise that provides the segment cash flow disclosures that are encouraged by IAS 7 (r1992) need not also disclose depreciation and amortisation expenses or non-cash expenses pursuant to (f) and (g) above.</i></p>	<p>14(r1997).57</p> <p>14(r1997).58</p> <p>14(r1997).61</p> <p>14(r1997).64</p> <p>14(r1997).66</p> <p>14(r1997).59</p> <p>14(r1997).63</p>
8011	<p>The enterprise should disclose the following for each reportable segment based on its primary format:</p> <p>a) the amount of impairment losses recognised in the income statement and directly in equity during the period; and</p> <p>b) the amount of reversals of impairment losses recognised in the income statement and directly in equity during the period.</p>	36.116
8012	<p>The enterprise should present a reconciliation between the information disclosed for reportable segments and the aggregated information in the consolidated or enterprise financial statements, including:</p> <p>a) segment revenue reconciled to enterprise revenue from external customers (including disclosure of the amount of enterprise revenue from external customers not included in any segment's revenue);</p> <p>b) segment result reconciled to a comparable measure of enterprise operating profit or loss as well as to enterprise net profit or loss;</p> <p>c) segment assets reconciled to enterprise assets; and</p> <p>d) segment liabilities reconciled to enterprise liabilities.</p>	14(r1997).67

Ref.	Presentation/Disclosure Requirement	Source
8013	<p>If the enterprise's primary format for reporting segment information is business segments, it should also report the following information:</p> <ul style="list-style-type: none"> <li>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 enterprise revenue from sales to all external customers;</li> <li>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</li> <li>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.</li> </ul>	14(r1997).69
8014	<p>If the enterprise's primary format for reporting segment information is geographical segments (whether based on location of assets or location of customers), it should 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 enterprise 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:</p> <ul style="list-style-type: none"> <li>a) segment revenue from external customers;</li> <li>b) the total carrying amount of segment assets; and</li> <li>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).</li> </ul>	14(r1997).70
8015	<p>If the enterprise'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, then it should 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 enterprise revenue from sales to all external customers.</p>	14(r1997).71
8016	<p>If the enterprise's primary format for reporting segment information is geographical segments that are based on location of customers, and if the enterprise's assets are located in different geographical areas from its customers, then it should 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 enterprise amounts:</p> <ul style="list-style-type: none"> <li>a) the total carrying amount of segment assets by geographical location of the assets; and</li> <li>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.</li> </ul>	14(r1997).72

Ref.	Presentation/Disclosure Requirement	Source
8017	<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 enterprise revenue from sales to all external customers, the enterprise should disclose:</p> <ul style="list-style-type: none"> <li>a) the fact that these circumstances exist;</li> <li>b) the amount of revenue from sales to external customers; and</li> <li>c) the amount of revenue from internal sales to other segments.</li> </ul>	14(r1997).74
8018	<p>For inter-segment transfers:</p> <ul style="list-style-type: none"> <li>a) segment revenue from transactions with other segments should be measured and reported on the basis actually used to price those transfers; and</li> <li>b) the basis of pricing inter-segment transfers and any change therein should be disclosed.</li> </ul>	14(r1997).75
8019	<p>Where changes in accounting policies are adopted for segment reporting that have a material effect on segment information:</p> <ul style="list-style-type: none"> <li>a) prior period segment information presented for comparative purposes should be restated unless it is impracticable to do so; and</li> <li>b) details of the change should be disclosed, including: <ul style="list-style-type: none"> <li>i) a description of the nature of the change;</li> <li>ii) the reasons for the change;</li> <li>iii) the fact that comparative information has been restated or that it is impracticable to do so; and</li> <li>iv) the financial effect of the change, if it is reasonably determinable.</li> </ul> </li> </ul>	14(r1997).76
8020	<p>If the enterprise 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 enterprise should 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.</p>	14(r1997).76
8021	<p>If not otherwise disclosed in the financial statements or elsewhere in the financial report, the enterprise should indicate, for both primary and secondary segments:</p> <ul style="list-style-type: none"> <li>a) the types of products and services included in each reported business segment; and</li> <li>b) the composition of each reported geographical segment.</li> </ul>	14(r1997).81



Ref.	Presentation/Disclosure Requirement	Source
	<b>REVENUE</b>	
8022	<p>The following items should be disclosed:</p> <ul style="list-style-type: none"> <li>a) the amount of each significant category of revenue recognised during the period including revenue arising from: <ul style="list-style-type: none"> <li>i) the sale of goods;</li> <li>ii) the rendering of services;</li> <li>iii) interest;</li> <li>iv) royalties; and</li> <li>v) dividends; and</li> </ul> </li> <li>b) the amount of revenue arising from exchanges of goods or services in each significant category of revenue.</li> </ul>	<p>18(r1993).35(b)</p> <p>18(r1993).35(c)</p>
8023	The enterprise should disclose the amount of revenue arising on construction contracts recognised as revenue in the period.	11(r1993).39(a)
	<b>DISCONTINUING OPERATIONS</b>	
8024	<p>The following information should be disclosed relating to a discontinuing operation, beginning with the financial statements for the period in which the initial disclosure event occurs:</p> <ul style="list-style-type: none"> <li>a) a description of the discontinuing operation;</li> <li>b) the business or geographical segment(s) in which it is reported in accordance with IAS 14 (r1997) <i>Segment Reporting</i>;</li> <li>c) the date and nature of the initial disclosure event;</li> <li>d) if known or determinable, the date or period in which the discontinuance is expected to be completed;</li> <li>e) the carrying amounts, as of the balance sheet date, of the total assets and the total liabilities to be disposed of;</li> <li>f) the amounts of revenue, expenses and pre-tax profit or loss from ordinary activities attributable to the discontinuing operation during the current financial reporting period, and the income tax expense relating thereto; and</li> <li>g) the amounts of net cash flows attributable to the operating, investing and financing activities of the discontinuing operation during the current financial reporting period.</li> </ul>	35.27
8025	Where an initial disclosure event has occurred after the end of the enterprise's financial reporting period, but before the financial statements for that period are authorised for issue, the financial statements should include the disclosures specified in item 8024 above for the period covered by those financial statements.	35.29

Ref.	Presentation/Disclosure Requirement	Source
8026	<p>If the enterprise has disposed of assets or settled liabilities attributable to a discontinuing operation or entered into binding agreements for the sale of such assets, or the settlement of such liabilities, the following information should be included in the financial statements when the events occur:</p> <ul style="list-style-type: none"> <li>a) for any gain or loss that is recognised on the disposal of assets or settlement of liabilities attributable to the discontinuing operation: <ul style="list-style-type: none"> <li>i) the amount of the pre-tax gain or loss; and</li> <li>ii) the income tax expense relating to the gain or loss; and</li> </ul> </li> <li>b) for those net assets for which the enterprise has entered into one or more binding sale agreements: <ul style="list-style-type: none"> <li>i) the net selling price or range of prices (which is after deducting the expected disposal costs);</li> <li>ii) the expected timing of receipt of those cash flows; and</li> <li>iii) the carrying amount of those net assets.</li> </ul> </li> </ul>	35.31
8027	In addition to the disclosures specified in items 8024 and 8026 above, the enterprise should include in its financial statements, for periods subsequent to the one in which the initial disclosure event occurs, a description of any significant changes in the amount or timing of cash flows relating to the assets and liabilities to be disposed of or settled, and the events causing those changes.	35.33
8028	The disclosures required by items 8024 to 8027 above should be continued in financial statements for periods up to and including the period in which the discontinuance is completed.	35.35
8029	Where the enterprise abandons or withdraws from a plan that was previously reported as a discontinuing operation, that fact and its effect should be disclosed.	35.36
8030	The specified disclosures should be presented separately for each discontinuing operation.	35.38
8031	<p>The disclosures specified in respect of discontinuing operations should be presented either in the notes to the financial statements or on the face of the financial statements [other than item 8026(a)(i) above, which is required to be presented on the face of the income statement].</p> <p><i>Note: The disclosures required by 8024(f) and 8024(g) are encouraged to be presented on the face of the income statement and cash flow statement respectively.</i></p>	35.39
8032	Any income or expense relating to a discontinuing operation should be presented within ordinary activities and not as an extraordinary item.	35.41
8033	The use of the term 'discontinuing operation' should be restricted to restructurings, transactions and events that meet the definition of a discontinuing operation under IAS 35.	35.43
8034	Comparative information for prior periods, presented in financial statements prepared after the initial disclosure event, should be restated to segregate continuing and discontinuing assets, liabilities, income, expenses, and cash flows.	35.45

Ref.	Presentation/Disclosure Requirement	Source
	<b>INVESTMENT PROPERTY INCOME AND EXPENDITURE</b>	
8035	The enterprise should disclose amounts included in the income statement for: <ul style="list-style-type: none"> <li>a) rental income from investment property;</li> <li>b) direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period; and</li> <li>c) direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the period.</li> </ul>	40.66(d)
	<b>OTHER ITEMS OF INCOME AND EXPENDITURE</b>	
	<b><i>Research and Development Costs</i></b>	
8036	The financial statements should disclose the aggregate amount of research and development expenditure recognised as an expense during the period.	38.115
	<b><i>Exchange Differences</i></b>	
8037	The following should be disclosed: <ul style="list-style-type: none"> <li>a) the amount of exchange differences included in the net profit or loss for the period; and</li> <li>b) the amount of exchange differences arising during the period that are included in the carrying amount of an asset in accordance with the allowed alternative treatment permitted under IAS 21(r1993), paragraph 21.</li> </ul>	21(r1993).42(a), (c)
	<b><i>Costs of Inventories</i></b>	
8038	The financial statements should disclose either: <ul style="list-style-type: none"> <li>a) the cost of inventories recognised as an expense during the period; or</li> <li>b) the operating costs, applicable to revenues, recognised as an expense during the period, classified by their nature.</li> </ul>	2(r1993).37
	<b><i>Borrowing Costs</i></b>	
8039	The following should be disclosed: <ul style="list-style-type: none"> <li>a) the amount of borrowing costs added to the cost of qualifying assets during the period; and</li> <li>b) the capitalisation rate used to determine the amount of borrowing costs eligible for such treatment.</li> </ul>	23(r1993).29(b), (c)
	<b><i>Compensation Received</i></b>	
8040	Monetary or non-monetary compensation received for the impairment or loss of items of property, plant and equipment should be disclosed separately.	SIC 14.5
	<b>TAXATION</b>	
8041	The major components of tax expense/income should be separately disclosed.	12(r2000).79

Ref.	Presentation/Disclosure Requirement	Source
8042	An explanation should be provided of the relationship between the tax expense/income and the accounting profit in either or both of the following forms: <ul style="list-style-type: none"> <li>a) a numerical reconciliation between the tax expense/income and the product of accounting profit multiplied by the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed; and/or</li> <li>b) 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.</li> </ul>	12(r2000).81(c)
8043	The following should be disclosed: <ul style="list-style-type: none"> <li>a) an explanation of changes in the applicable tax rate compared to the previous accounting period; and</li> <li>b) in respect of discontinuing operations, the tax expense relating to: <ul style="list-style-type: none"> <li>i) the gain or loss on discontinuance; and</li> <li>ii) the profit or loss from the ordinary activities of the discontinuing operation for the period, together with the corresponding amounts for each prior period presented.</li> </ul> </li> </ul>	12(r2000).81(d)  12(r2000).81(h)
8044	For each type of temporary difference, and each type of unused tax losses and unused tax credits, the enterprise should disclose the amount of the deferred tax income or expense recognised in the income statement, where not readily apparent from the changes in the amounts recognised in the balance sheet.	12(r2000).81(g)
<b>EXTRAORDINARY ITEMS</b>		
8045	The following should be disclosed separately for extraordinary items: <ul style="list-style-type: none"> <li>a) the nature and amount of each item; and</li> <li>b) the tax expense/income relating to extraordinary items recognised during the period.</li> </ul>	8(r1993).11  12(r2000).81(b)
<b>OTHER UNUSUAL ITEMS</b>		
8046	Where items of income and 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 enterprise for the period, the nature and amount of such items should be disclosed separately.	8(r1993).16
<b>DIVIDENDS</b>		
8047	The enterprise should disclose, either on the face of the income statement or in the notes, the amount of dividends per share, declared or proposed, for the period covered by the financial statements.	1(r1997).85
8048	The enterprise should disclose the amount of dividends that were proposed or declared after the balance sheet date but before the financial statements were authorised for issue.	1(r1997).74(c)
8049	The enterprise should disclose the amount of the income tax consequences of dividends to shareholders of the enterprise that were proposed or declared before the financial statements were authorised for issue, but are not recognised as a liability in the financial statements.	12(r2000).81(i)

Ref.	Presentation/Disclosure Requirement	Source
8050	The enterprise should disclose the amount of any cumulative preference dividends not recognised.	1(r1997).74(d)
	<b>PROPERTY, PLANT AND EQUIPMENT</b>	
8051	Items classified as property, plant and equipment in the financial statements should be limited to tangible assets that are both: <ul style="list-style-type: none"> <li>a) held by an enterprise for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and</li> <li>b) expected to be used during more than one period.</li> </ul>	16(r1998).6
8052	The following information should be disclosed for each class of property, plant and equipment: <ul style="list-style-type: none"> <li>a) when more than one measurement basis has been used, the gross carrying amount included for each measurement basis in each category;</li> <li>b) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period; and</li> <li>c) a reconciliation of the carrying amount at the beginning and end of the period showing: <ul style="list-style-type: none"> <li>i) additions;</li> <li>ii) disposals;</li> <li>iii) acquisitions through business combinations;</li> <li>iv) increases or decreases during the period resulting from revaluations and from impairment losses recognised or reversed directly in equity (if any);</li> <li>v) impairment losses recognised in the income statement during the period (if any);</li> <li>vi) impairment losses reversed in the income statement during the period (if any);</li> <li>vii) depreciation;</li> <li>viii) the net exchange differences arising on the translation of the financial statements of a foreign entity; and</li> <li>ix) other movements.</li> </ul> </li> </ul> <p><i>Note: Comparative information is not required for the reconciliation specified in item 8052(c).</i></p>	16(r1998).60(a) 16(r1998).60(d) 16(r1998).60(e)
8053	The financial statements should also disclose the following information: <ul style="list-style-type: none"> <li>a) the existence and amounts of restrictions on title, and property, plant and equipment pledged as security for liabilities; and</li> <li>b) the amount of expenditure on account of property, plant and equipment in the course of construction.</li> </ul>	16(r1998).61(a) 16(r1998).61(c)

Ref.	Presentation/Disclosure Requirement	Source
8054	<p>When items of property, plant and equipment are stated at revalued amounts, the following additional information should be disclosed:</p> <ul style="list-style-type: none"> <li>a) the basis used to revalue the assets;</li> <li>b) the effective date of the revaluation;</li> <li>c) whether an independent valuer was involved;</li> <li>d) the nature of any indices used to determine replacement cost; and</li> <li>e) the carrying amount of each class of property, plant and equipment that would have been included in the financial statements had the assets been carried under the benchmark treatment.</li> </ul> <p><b>INVESTMENT PROPERTY</b></p>	16(r1998).64
8055	<p>Assets classified as investment property in the financial statements should be limited to property held to earn rentals, or for capital appreciation, or both, rather than for:</p> <ul style="list-style-type: none"> <li>a) use in the production or supply of goods or services or for administrative purposes; or</li> <li>b) sale in the ordinary course of business.</li> </ul> <p><i>Note: The disclosures set out below are in addition to those in IAS 17 (r1997), Leases. Under IAS 17 (r1997), the owner of an investment property gives a lessor's disclosures about operating leases. Under IAS 17 (r1997), an enterprise that holds an investment property under a finance lease gives a lessee's disclosures about that finance lease and a lessor's disclosures about any operating leases that the enterprise has granted.</i></p> <p><b>Disclosures for all Investment Property</b></p>	40.4
8056	When the determination of the appropriate classification for property is difficult, the financial statements should disclose the criteria developed by the enterprise to distinguish investment property from owner-occupied property and property held for sale in the ordinary course of business.	40.66(a)
8057	<ul style="list-style-type: none"> <li>a) The enterprise should disclose the methods and significant assumptions applied in determining the fair value of investment property.</li> <li>b) The disclosures under item 8057(a) should include a statement as to whether the determination of fair value was supported by market evidence or was more heavily based on other factors (which the enterprise should disclose) because of the nature of the property and lack of comparable market data.</li> <li>c) The enterprise should disclose the extent to which the fair value of investment property (as disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognised qualification and who has recent experience in the location and category of the investment property being valued.</li> <li>d) If there has been no valuation by an independent valuer, as described in item 8057(c), that fact should be disclosed.</li> </ul>	40.66(b)
		40.66(b)
		40.66(c)
		40.66(c)
8058	The enterprise should disclose the existence and amount of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.	40.66(e)

Ref.	Presentation/Disclosure Requirement	Source
	<b><i>Fair Value Model</i></b>	
8059	<p>In addition to the disclosures required by items 8056 to 8058 above, an enterprise that applies the fair value model in accounting for its investment property should also disclose a reconciliation of the carrying amount of investment property at the beginning and end of the period showing the following:</p> <ul style="list-style-type: none"> <li>a) additions, disclosing separately those additions resulting from acquisitions and those resulting from capitalised subsequent expenditure;</li> <li>b) additions resulting from acquisitions through business combinations;</li> <li>c) disposals;</li> <li>d) net gains or losses from fair value adjustments;</li> <li>e) the net exchange differences arising on the translation of the financial statements of a foreign entity;</li> <li>f) transfers to and from inventories and owner-occupied property; and</li> <li>g) other movements.</li> </ul> <p><i>Note: Comparative information need not be provided for the reconciliation specified in item 8059.</i></p>	40.67
8060	<p>In the exceptional circumstances when an enterprise measures investment property using the benchmark treatment in IAS 16 (r1998) <i>Property, Plant and Equipment</i> (because of the lack of a reliable fair value):</p> <ul style="list-style-type: none"> <li>a) the reconciliation required by item 8059 above should disclose amounts relating to that investment property separately from amounts relating to other investment property; and</li> <li>b) the enterprise should disclose: <ul style="list-style-type: none"> <li>i) a description of the investment property accounted for in accordance with the benchmark treatment in IAS 16 (r1998);</li> <li>ii) an explanation of why fair value cannot be reliably measured;</li> <li>iii) if possible, the range of estimates within which fair value is highly likely to lie; and</li> <li>iv) on disposal of investment property not carried at fair value: <ul style="list-style-type: none"> <li>- the fact that the enterprise has disposed of investment property not carried at fair value;</li> <li>- the carrying amount of that investment property at the time of sale; and</li> <li>- the amount of the gain or loss recognised.</li> </ul> </li> </ul> </li> </ul>	40.68

Ref.	Presentation/Disclosure Requirement	Source
	<p><b>Cost Model</b></p> <p>8061 In addition to the disclosures required by items 8056 to 8058 above, an enterprise that applies the cost model in accounting for its investment property should also disclose:</p> <ul style="list-style-type: none"> <li>a) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period; and</li> <li>b) 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"> <li>i) additions, disclosing separately those additions resulting from acquisitions and those resulting from capitalised subsequent expenditure;</li> <li>ii) additions resulting from acquisitions through business combinations;</li> <li>iii) disposals;</li> <li>iv) depreciation;</li> <li>v) the amount of impairment losses recognised, and the amount of impairment losses reversed, during the period in accordance with IAS 36 <i>Impairment of Assets</i>;</li> <li>vi) the net exchange differences arising on the translation of the financial statements of a foreign entity;</li> <li>vii) transfers to and from inventories and owner-occupied property; and</li> <li>viii) other movements.</li> </ul> </li> </ul> <p><i>Note: Comparative information need not be provided for the reconciliation specified in item 8061(b).</i></p>	40.69(c),(d)
8062	<p>Enterprises using the cost model should disclose the fair value of investment property. In the exceptional circumstances when an enterprise cannot determine the fair value of the investment property reliably, the enterprise should disclose:</p> <ul style="list-style-type: none"> <li>a) a description of the investment property;</li> <li>b) an explanation of why fair value cannot be determined reliably; and</li> <li>c) if possible, the range of estimates within which fair value is highly likely to lie.</li> </ul>	40.69(e)
	<p><b>Transitional Provisions</b></p> <p>8063 Under the fair value model, an enterprise should report the effect of adopting IAS 40 on its effective date (or earlier) as an adjustment to the opening balance of retained earnings for the period in which IAS 40 is first adopted. In addition:</p> <ul style="list-style-type: none"> <li>a) if the enterprise has previously disclosed publicly (in financial statements or otherwise) the fair value of its investment property in earlier periods (determined on a basis that satisfies the definition of fair value in IAS 40, paragraph 4, and the guidance in IAS 40, paragraphs 29 to 46), the enterprise is encouraged, but not required, to:</li> </ul>	40.70



Ref.	Presentation/Disclosure Requirement	Source
	<ul style="list-style-type: none"> <li>i) adjust the opening balance of retained earnings for the earliest period presented for which such fair value was disclosed publicly; and</li> <li>ii) restate comparative information for those periods; and</li> </ul> <p>b) if the enterprise has not previously disclosed publicly the information described in item 8063(a) above, the enterprise should not restate comparative information and should disclose that fact.</p> <p><b>GOODWILL</b></p>	
8064	<p>The financial statements should provide a reconciliation of the carrying amount of goodwill at the beginning and end of the period showing:</p> <ul style="list-style-type: none"> <li>a) the gross amount and the accumulated amortisation (aggregated with accumulated impairment losses) at the beginning of the period;</li> <li>b) any additional goodwill recognised during the period;</li> <li>c) any adjustments resulting from subsequent identification or changes in value of identifiable assets and liabilities;</li> <li>d) any goodwill derecognised on the disposal of all or part of the business to which it relates during the period;</li> <li>e) amortisation recognised during the period;</li> <li>f) impairment losses recognised during the period in accordance with IAS 36 <i>Impairment of Assets</i> (if any);</li> <li>g) impairment losses reversed during the period in accordance with IAS 36 <i>Impairment of Assets</i> (if any);</li> <li>h) other changes in the carrying amount of goodwill during the period (if any); and</li> <li>i) the gross amount and the accumulated amortisation (aggregated with accumulated impairment losses), at the end of the period.</li> </ul> <p><i>Note: Comparative information need not be provided for the reconciliation specified in item 8064.</i></p> <p><b>NEGATIVE GOODWILL</b></p>	22(r1998).88(e)
8065	Negative goodwill should be presented as a deduction from the assets of the reporting enterprise, in the same balance sheet classification as goodwill.	22(r1998).64
8066	To the extent that negative goodwill relates to expectations of future losses or expenses that are identified in the acquirer's plan for the acquisition and can be measured reliably, but which do not represent identifiable liabilities at the date of acquisition, the enterprise should disclose a description, the amount and the timing of the expected future losses and expenses.	22(r1998).91(a)
8067	<p>The financial statements should disclose a reconciliation of the carrying amount of negative goodwill at the beginning and end of the period showing:</p> <ul style="list-style-type: none"> <li>a) the gross amount of negative goodwill and the accumulated amount of negative goodwill already recognised as income, at the beginning of the period;</li> <li>b) any additional negative goodwill recognised during the period;</li> </ul>	22(r1998).91(d)

Ref.	Presentation/Disclosure Requirement	Source
	<p>c) any adjustments resulting from subsequent identification or changes in value of identifiable assets and liabilities;</p> <p>d) any negative goodwill derecognised on the disposal of all or part of the business to which it relates during the period;</p> <p>e) negative goodwill recognised as income during the period, showing separately the portion of negative goodwill recognised as income under IAS 22 (r1998), paragraph 61 (if any);</p> <p>f) other changes in the carrying amount during the period (if any); and</p> <p>g) the gross amount of negative goodwill and the accumulated amount of negative goodwill already recognised as income, at the end of the period.</p> <p><i>Note: Comparative information need not be provided for the reconciliation specified in item 8067.</i></p> <p><b>INTANGIBLE ASSETS</b></p>	
8068	<p>The financial statements should disclose the following for each class of intangible assets, distinguishing between internally-generated intangible assets and other intangible assets:</p> <p>a) the gross carrying amount and the accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the period; and</p> <p>b) a reconciliation of the carrying amount at the beginning and end of the period showing:</p> <ul style="list-style-type: none"> <li>i) additions, indicating separately those from internal development and through business combinations;</li> <li>ii) retirements and disposals;</li> <li>iii) increases or decreases during the period resulting from revaluations and from impairment losses recognised or reversed directly in equity (if any);</li> <li>iv) impairment losses recognised in the income statement during the period (if any);</li> <li>v) impairment losses reversed in the income statement during the period (if any);</li> <li>vi) amortisation recognised during the period;</li> <li>vii) net exchange differences arising on the translation of the financial statements of a foreign entity; and</li> <li>viii) other changes in the carrying amount during the period.</li> </ul> <p><i>Note: Comparative information is not required for the reconciliation specified in item 8068(b).</i></p>	<p>38.107(c)</p> <p>38.107(e)</p>
8069	<p>The financial statements should also disclose a description, the carrying amount and the remaining amortisation period of any individual intangible asset that is material to the financial statements of the enterprise as a whole.</p>	38.111(b)

Ref.	Presentation/Disclosure Requirement	Source
8070	For intangible assets acquired by way of government grant and initially recognised at fair value, the enterprise should disclose: <ul style="list-style-type: none"> <li>a) the fair value initially recognised for those assets; and</li> <li>b) their carrying amount.</li> </ul>	38.111(c)
8071	The financial statements should disclose the existence and carrying amounts of: <ul style="list-style-type: none"> <li>a) intangible assets whose title is restricted; and</li> <li>b) intangible assets pledged as security for liabilities.</li> </ul>	38.111(d)
8072	If intangible assets are carried at revalued amounts, the following details should also be disclosed by class of intangible asset: <ul style="list-style-type: none"> <li>a) the effective date of the revaluation;</li> <li>b) the carrying amount of revalued intangible assets; and</li> <li>c) the carrying amount that would have been included in the financial statements had the revalued intangible assets been carried under the benchmark treatment.</li> </ul> <p><i>Note:</i></p> <p><i>An enterprise is encouraged, but not required, to give the following information:</i></p> <ul style="list-style-type: none"> <li>a) a description of any fully amortised intangible asset that is still in use; and</li> <li>b) a brief description of significant intangible assets controlled by the enterprise, but not recognised as assets because they did not meet the recognition criteria in IAS 38, or because they were acquired or generated before IAS 38 was effective.</li> </ul> <p><b>SUBSIDIARIES</b></p>	38.113(a)
8073	The consolidated financial statements should include a listing of significant subsidiaries, with disclosure of the name, country of incorporation or residence, proportion of ownership interest and, if different, the proportion of voting power held.	38.117
8074	Where a parent does not prepare consolidated financial statements because it is a wholly-owned or a virtually wholly-owned subsidiary, the following disclosures should be made: <ul style="list-style-type: none"> <li>a) the reasons why consolidated financial statements have not been presented together with the bases on which subsidiaries are accounted for in the parent's separate financial statements; and</li> <li>b) the name and registered office of its parent that publishes consolidated financial statements.</li> </ul>	27(r2000).32(a)
8075	The consolidated financial statements should disclose, where applicable: <ul style="list-style-type: none"> <li>a) the reasons for not consolidating a subsidiary;</li> <li>b) the nature of the relationship between the parent and a subsidiary in which the parent does not own, directly or indirectly through subsidiaries, more than half of the voting power;</li> </ul>	27(r2000).8
		27(r2000).32(b)

Ref.	Presentation/Disclosure Requirement	Source
	<ul style="list-style-type: none"> <li>c) the name of any enterprise in which more than half of the voting power is owned, directly or indirectly through subsidiaries, but which, because of the absence of control, is not a subsidiary; and</li> <li>d) the effect of the acquisition and disposal of subsidiaries on the financial position at the reporting date, the results for the reporting period, and on the corresponding amounts for the preceding period.</li> </ul>	
8076	Where it is not practicable to use uniform accounting policies for the purposes of consolidated financial statements, that fact should be disclosed, together with the proportions of the items in the consolidated financial statements to which the different accounting policies have been applied.	27(r2000).21
8077	<p>When there is a change in the classification of a significant foreign operation, the following matters should be disclosed:</p> <ul style="list-style-type: none"> <li>a) the nature of the change in classification;</li> <li>b) the reason for the change;</li> <li>c) the impact of the change in classification on shareholders' equity; and</li> <li>d) the impact on net profit or loss for each prior period presented had the change in classification occurred at the beginning of the earliest period presented.</li> </ul>	21(r1993).44
	<b>BUSINESS COMBINATIONS</b>	
8078	<p>For all business combinations, the following disclosures should be made in the financial statements for the period during which the combination takes place:</p> <ul style="list-style-type: none"> <li>a) the names and descriptions of the combining enterprises;</li> <li>b) the method of accounting for the combination;</li> <li>c) the effective date of the combination for accounting purposes; and</li> <li>d) any operations resulting from the business combination which the enterprise has decided to dispose of.</li> </ul>	22(r1998).86
	<b>Acquisitions - General</b>	
8079	<p>For a business combination that is an acquisition, the following disclosures should be made in the financial statements for the period during which the acquisition takes place:</p> <ul style="list-style-type: none"> <li>a) the percentage of voting shares acquired; and</li> <li>b) the cost of acquisition and a description of the purchase consideration paid or contingently payable.</li> </ul>	22(r1998).87
	<b>Restructuring Provisions</b>	
8080	The disclosure requirements of IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> should be applied to provisions for terminating or reducing the activities of an acquiree, recognised under IAS 22 (r1998), paragraph 31.	22(r1998).92
8081	Provisions for terminating or reducing activities as described in item 8080 above should be dealt with as a separate class of provisions for the purposes of disclosure under IAS 37.	22(r1998).92

Ref.	Presentation/Disclosure Requirement	Source
8082	The aggregate carrying amount of such provisions recognised under IAS 22 (r1998), paragraph 31 should be disclosed for each individual business combination.  <b>Cost of Acquisition</b>	22(r1998).92
8083	When a published price of an equity instrument issued as purchase consideration exists at the date of exchange, but has not been used as the instrument's fair value, the enterprise should disclose:  a) that fact;  b) the reasons why the published price is not the fair value of the equity instrument;  c) the method and significant assumptions applied in determining the fair value; and  d) the aggregate amount of the difference between the published price and the amount determined to be the fair value of the equity instruments.	SIC 28.7
8084	When an equity instrument issued as purchase consideration does not have a published price at the date of exchange, the enterprise should disclose that fact, and the method and significant assumptions applied in determining the fair value.  <b>Fair Values of Identifiable Assets and Liabilities</b>	SIC 28.8
8085	In an acquisition, if the fair values of the identifiable assets and liabilities or the purchase consideration can only be determined on a provisional basis at the end of the period in which the acquisition takes place, that fact should be stated and reasons given.	22(r1998).93
8086	When there are subsequent adjustments to the provisional fair values described at item 8085 above, those adjustments should be disclosed and explained in the financial statements of the period concerned, with separate disclosure of the amount of the adjustment that relates to prior and comparative periods.  <b>Unitings of Interests</b>	22(r1998).93 SIC 22.8
8087	For a business combination that is a uniting of interests, the following additional disclosures should be made in the financial statements for the period during which the uniting of interests takes place:  a) a description and the number of shares issued, together with the percentage of each enterprise's voting shares exchanged to effect the uniting of interests;  b) the amounts of assets and liabilities contributed by each enterprise; and  c) the sales revenue, other operating revenues, extraordinary items and net profit or loss of each enterprise prior to the date of the combination that are included in the net profit or loss shown by the combined enterprise's financial statements.  <b>Combinations after the Balance Sheet Date</b>	22(r1998).94
8088	For business combinations effected after the balance sheet date, the information required by items 8078 to 8087 above should be disclosed.	22(r1998).96
8089	If it is impracticable to disclose any of the information required by item 8088 above, that fact should be disclosed.	22(r1998).96

Ref.	Presentation/Disclosure Requirement	Source
	<b>INVESTMENTS IN ASSOCIATES</b>	
8090	The following disclosures should be made in relation to investments in associates:	
	a) an appropriate listing and description of significant associates, including the proportion of ownership interest and, if different, the proportion of voting power held; and	28(r2000).27(a)
	b) the investor's share of any extraordinary or prior period items, separately disclosed.	28(r2000).28
8091	If the investor discontinues recognition of its share of losses of an investee (generally where the share of losses equals or exceeds the carrying amount of its investment), the investor should disclose in its financial statements the amount of its unrecognised share of losses of the investee, both during the period and cumulatively.	SIC 20.10
	<b>INTERESTS IN JOINT VENTURES</b>	
	<i>Note: The disclosures listed below are required for all venturers, including those that do not issue consolidated financial statements because they do not have subsidiaries.</i>	
8092	The venturer should disclose a listing and description of interests in significant joint ventures and the proportion of ownership interest held in jointly controlled entities.	31(r2000).47,48
8093	Where the venturer reports its interests in jointly controlled entities using the line-by-line reporting format for proportionate consolidation or the equity method, it should disclose the aggregate amount of each of current assets, long-term assets, current liabilities, long-term liabilities, income and expenses related to its interests in joint ventures.	31(r2000).47,48
	<b>ACCOUNTING FOR LEASES BY LESSORS</b>	
8094	The following disclosures should be made in the financial statements for finance leases:	17(r1997).39
	a) a reconciliation between the total gross investment in the lease at the balance sheet date, and the present value of minimum lease payments receivable at the balance sheet date;	
	b) the total gross investment in the lease and the present value of minimum lease payments receivable at the balance sheet date, for each of the periods not later than one year, later than one year and not later than five years, and later than five years;	
	c) unearned finance income;	
	d) the unguaranteed residual values accruing to the benefit of the lessor;	
	e) the accumulated allowance for uncollectible minimum lease payments receivable;	
	f) contingent rents recognised in income; and	
	g) a general description of the lessor's significant leasing arrangements.	

Ref.	Presentation/Disclosure Requirement	Source
8095	<p>The following disclosures should be made in the financial statements for operating leases:</p> <ul style="list-style-type: none"> <li>a) the future minimum lease payments under non-cancellable operating leases, in aggregate and for each of the periods not later than one year, later than one year and not later than five years, and later than five years;</li> <li>b) total contingent rents recognised in income; and</li> <li>c) a general description of the lessor's significant leasing arrangements.</li> </ul> <p><i>Notes:</i></p> <ol style="list-style-type: none"> <li>1. <i>The disclosures specified in items 8094 and 8095 above are in addition to the requirements of IAS 32 (r1998), Financial Instruments: Disclosure and Presentation.</i></li> <li>2. <i>In addition to the requirements set out at item 8095 above, the requirements on disclosure under IAS 16 (r1998), Property, Plant and Equipment, IAS 36, Impairment of Assets, IAS 38, Intangible Assets, IAS 40, Investment Property, and IAS 41, Agriculture, apply to assets leased out under operating leases.</i></li> </ol>	<p>17(r1997).48</p> <p>17(r1997).39, 48</p> <p>17(r1997).48A</p>
<b>ARRANGEMENTS INVOLVING THE LEGAL FORM OF A LEASE</b>		
8096	Where an arrangement involves the legal form of a lease but does not, in substance, involve a lease under IAS 17 Leases, all aspects of the arrangement should be considered in determining the appropriate disclosures that are necessary to understand the arrangement and the accounting treatment adopted.	SIC 27.10
8097	<p>The enterprise should disclose the following in each period in which an arrangement of the type described in item 8096 above exists:</p> <ul style="list-style-type: none"> <li>a) a description of the arrangement, including: <ul style="list-style-type: none"> <li>i) the underlying asset and any restrictions on its use;</li> <li>ii) the life and other significant terms of the arrangement; and</li> <li>iii) the transactions that are linked together, including any options; and</li> </ul> </li> <li>b) i) the accounting treatment applied to any fee received;</li> <li>ii) the amount recognised as income in the period; and</li> <li>iii) the line item of the income statement in which it is included.</li> </ul> <p><i>Note: The disclosures required by item 8097 above should be provided individually for each arrangement, or in aggregate for each class of arrangements (i.e. each grouping of arrangements with underlying assets of a similar nature).</i></p>	<p>SIC 27.10</p> <p>SIC 27.11</p>
<b>IMPAIRMENT OF ASSETS</b>		
<p><i>Note: IAS 36 should be applied in accounting for the impairment of all assets, except inventories (IAS 2(r1993)), construction contracts (IAS 11 (r1993)), deferred tax assets (IAS 12(r2000)), assets arising from employee benefits (IAS 19 (r2002)), financial assets falling within the scope of IAS 32(r1998), investment property that is measured at fair value (IAS 40) and biological assets that are measured at fair value less estimated point-of-sale costs (IAS 41).</i></p>		



Ref.	Presentation/Disclosure Requirement	Source
8098	<p>For each class of assets, the financial statements should disclose:</p> <ul style="list-style-type: none"> <li>a) the amount of impairment losses recognised in the income statement during the period and the line item(s) of the income statement in which those impairment losses are included;</li> <li>b) the amount of reversals of impairment losses recognised in the income statement during the period and the line item(s) of the income statement in which those impairment losses are reversed;</li> <li>c) the amount of impairment losses recognised directly in equity during the period; and</li> <li>d) the amount of reversals of impairment losses recognised directly in equity during the period.</li> </ul>	36.113
8099	<p>If an impairment loss for an individual asset or a cash-generating unit is recognised or reversed during the period and is material to the financial statements of the reporting enterprise as a whole, the enterprise should disclose:</p> <ul style="list-style-type: none"> <li>a) the events and circumstances that led to the recognition or reversal of the impairment loss;</li> <li>b) the amount of the impairment loss recognised or reversed;</li> <li>c) for an individual asset: <ul style="list-style-type: none"> <li>i) the nature of the asset; and</li> <li>ii) if the enterprise applies IAS 14 (r1997) <i>Segment Reporting</i>, the reportable segment to which the asset belongs, based on the enterprise's primary format;</li> </ul> </li> <li>d) for a cash-generating unit: <ul style="list-style-type: none"> <li>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 IAS 14 (r1997) <i>Segment Reporting</i> or other);</li> <li>ii) the amount of the impairment loss recognised or reversed by class of assets and, if the enterprise applies IAS 14 (r1997) <i>Segment Reporting</i>, by reportable segment based on the enterprise's primary format; and</li> <li>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), the enterprise should describe the current and former ways of aggregating assets and the reasons for changing the way the cash-generating unit is identified;</li> </ul> </li> <li>e) whether the recoverable amount of the asset (cash-generating unit) is its net selling price or its value in use;</li> <li>f) if recoverable amount is net selling price, the basis used to determine net selling price (such as whether selling price was determined by reference to an active market or in some other way); and</li> <li>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.</li> </ul>	36.117



Ref.	Presentation/Disclosure Requirement	Source
8100	<p>If impairment losses recognised (reversed) during the period are material in aggregate to the financial statements of the reporting enterprise as a whole, the enterprise should disclose a brief description of the following:</p> <ul style="list-style-type: none"> <li>a) the main classes of assets affected by impairment losses (reversals of impairment losses) for which no information is disclosed under item 8099; and</li> <li>b) the main events and circumstances that led to the recognition (reversal) of those impairment losses for which no information is disclosed under item 8099.</li> </ul> <p><b>INVENTORIES</b></p>	36.118
8101	<p>The following items should be disclosed in the financial statements:</p> <ul style="list-style-type: none"> <li>a) the total carrying amount of inventories and the carrying amount in classifications appropriate to the enterprise;</li> <li>b) the carrying amount of inventories carried at net realisable value;</li> <li>c) the amount of any reversal of any write-down that is recognised as income in the period;</li> <li>d) the circumstances or events that led to the reversal of a write-down of inventories; and</li> <li>e) the carrying amount of inventories pledged as security for liabilities.</li> </ul>	2(r1993).34
8102	<p>When the cost of inventories is determined using the LIFO formula in accordance with the allowed alternative treatment under IAS 2 (r1993), the financial statements should disclose the difference between the amount of inventories as shown in the balance sheet and either:</p> <ul style="list-style-type: none"> <li>a) the lower of the amount arrived at in accordance with the FIFO or weighted average cost formulas and net realisable value; or</li> <li>b) the lower of current cost at the balance sheet date and net realisable value.</li> </ul> <p><b>CONSTRUCTION CONTRACTS</b></p>	2(r1993).36
8103	<p>The enterprise should disclose each of the following for contracts in progress at the balance sheet date:</p> <ul style="list-style-type: none"> <li>a) the aggregate amount of costs incurred and recognised profits (less recognised losses) to date;</li> <li>b) the amount of advances received; and</li> <li>c) the amount of retentions.</li> </ul>	11(r1993).40
8104	<p>The enterprise should present:</p> <ul style="list-style-type: none"> <li>a) the gross amount due from customers for contract work as an asset; and</li> <li>b) the gross amount due to customers for contract work as a liability.</li> </ul>	11(r1993).42

Ref.	Presentation/Disclosure Requirement	Source
	<b>SHAREHOLDERS' EQUITY</b>	
8105	For each class of share capital, the following information should be disclosed, either on the face of the balance sheet or in the notes: <ul style="list-style-type: none"> <li>a) the number of shares authorised;</li> <li>b) the number of shares issued and fully paid, and issued but not fully paid;</li> <li>c) par value per share, or that the shares have no par value;</li> <li>d) a reconciliation of the number of shares outstanding at the beginning and at the end of the year;</li> <li>e) the rights, preferences and restrictions attaching to that class, including restrictions on the distribution of dividends and the repayment of capital;</li> <li>f) shares in the enterprise held by the enterprise itself or by subsidiaries or associates of the enterprise; and</li> <li>g) shares reserved for issuance under options and sales contracts, including the terms and amounts.</li> </ul>	1(r1997).74(a)
8106	The financial statements should include a description of the nature and purpose of each reserve within owners' equity, either on the face of the balance sheet or in the notes. <p><i>Note: An enterprise without share capital (e.g. a partnership), should disclose information equivalent to that required by items 8105 and 8106 above, showing movements during the period in each category of equity interest and the rights, preferences and restrictions attaching to each category of equity interest.</i></p>	1(r1997).74(b)  1(r1997).74
	<b>TREASURY SHARES</b>	
8107	Treasury shares should be presented in the balance sheet as a deduction from equity.	SIC 16.4
8108	The acquisition of treasury shares should be presented in the financial statements as a change in equity.	SIC 16.4
8109	Consideration received on the sale, issuance or cancellation of treasury shares should be presented in the financial statements as a change in equity.	SIC 16.5
8110	The amounts of reductions to equity for treasury shares held should be disclosed separately, either on the face of the balance sheet or in the notes.	SIC 16.6
8111	Where the enterprise, or any of its subsidiaries (including special purpose entities) re-acquires its own shares from parties able to control or exercise significant influence over the enterprise, this should be disclosed as a related party transaction in accordance with IAS 24, paragraph 22 (see item 8172 below). <p><i>Note:</i></p> <p><i>The acquisition cost of treasury shares held by the enterprise (and, in a consolidated balance sheet, by its subsidiaries) should be presented in one of the following ways:</i></p> <p><i>a) total cost is shown as a one-line adjustment of equity; or</i></p>	SIC 16.7        SIC 16.10

Ref.	Presentation/Disclosure Requirement	Source
	<p><i>b) the par value, if any, is shown as a deduction from share capital, with adjustment of premiums or discounts against other categories of equity; or</i></p> <p><i>c) each category of equity is adjusted.</i></p> <p><b>TAX ASSETS AND LIABILITIES</b></p>	
8112	<p>The following principles should be applied in the presentation of tax assets and liabilities:</p> <p>a) tax assets and tax liabilities should be presented separately from other assets and liabilities in the balance sheet;</p> <p>b) current tax assets and liabilities should be distinguished from deferred tax assets and liabilities; and</p> <p>c) when the enterprise distinguishes between current and non-current assets and liabilities in its financial statements, deferred tax assets (liabilities) should not be treated as current assets (liabilities).</p>	<p>12(r2000).69</p> <p>12(r2000).69</p> <p>12(r2000).70</p>
8113	<p>Current tax assets and current tax liabilities should be offset if, and only if, both of the following conditions are satisfied:</p> <p>a) there is a legally enforceable right to set off the recognised amounts; and</p> <p>b) it is intended either to settle on a net basis, or to realise the asset and settle the liability simultaneously.</p>	12(r2000).71
8114	<p>Deferred tax assets and deferred tax liabilities should be offset if, and only if, both of the following conditions are satisfied:</p> <p>a) there is a legally enforceable right to set off current tax assets against current tax liabilities; and</p> <p>b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:</p> <p>i) the same taxable entity; or</p> <p>ii) 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>	12(r2000).74
8115	<p>The following should be disclosed:</p> <p>a) 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> <p>b) the aggregate amount of temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, for which deferred tax liabilities are not recognised; and</p> <p>c) the amount of the deferred tax assets and liabilities recognised in the balance sheet for each period presented in respect of each type of temporary difference, and in respect of each type of unused tax losses and unused tax credits.</p>	<p>12(r2000).81(e)</p> <p>12(r2000).81(f)</p> <p>12(r2000).81(g)</p>

Ref.	Presentation/Disclosure Requirement	Source
8116	When 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, and the enterprise has suffered a loss in either the current or the preceding period in the tax jurisdiction to which the deferred tax asset relates, the amount of such asset and the nature of the evidence supporting its recognition should be disclosed.	12(r2000).82
8117	<p>Where current and deferred tax assets and liabilities are measured at the tax rate applicable to undistributed profits, but the net income taxes payable will be affected if part of the retained earnings is paid out as a dividend to shareholders, the enterprise should disclose:</p> <ul style="list-style-type: none"> <li>a) the nature of the potential income tax consequences that would result from the payment of dividends to its shareholders;</li> <li>b) the amounts of the potential income tax consequences that are practicably determinable; and</li> <li>c) whether there are any potential income tax consequences that are not practicably determinable.</li> </ul> <p><b>ACCOUNTING FOR LEASES BY LESSEES</b></p> <p><i>Note: The disclosure requirements in respect of transactions involving the legal form of a lease but which do not, in substance, involve a lease under IAS 17, Leases, are set out in items 8096 and 8097 above. These apply equally to lessees' financial statements.</i></p>	12(r2000).82A
8118	<p>The following disclosures should made in the financial statements for finance leases:</p> <ul style="list-style-type: none"> <li>a) for each class of asset, the net carrying amount at the balance sheet date;</li> <li>b) a reconciliation between the total of minimum lease payments at the balance sheet date, and their present value;</li> <li>c) the total of minimum lease payments at the balance sheet date for each of the periods not later than one year, later than one year and not later than five years, and later than five years, and their present value;</li> <li>d) contingent rents recognised in income in the period;</li> <li>e) the total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date; and</li> <li>f) a general description of the lessee's significant leasing arrangements including, but not limited to, the basis on which contingent rents are determined; the existence and terms of renewal or purchase options and escalation clauses; and restrictions imposed by lease arrangements (such as those concerning dividends, additional debt and further leasing).</li> </ul> <p><i>Note: In addition to the requirements set out at item 8118 above, the requirements on disclosure under IAS 16 (r1998), Property, Plant and Equipment, IAS 36, Impairment of Assets, IAS 38, Intangible Assets, IAS 40, Investment Property, and IAS 41, Agriculture, apply to leased assets held under finance leases that are accounted for by the lessee as acquisitions of assets.</i></p>	<p>17(r1997).23</p> <p>17(r1997).24</p>

Ref.	Presentation/Disclosure Requirement	Source
8119	<p>The following disclosures should be made in the financial statements for operating leases:</p> <ul style="list-style-type: none"> <li>a) the total of future minimum lease payments under non-cancellable operating leases for each of the periods not later than one year, later than one year and not later than five years, and later than five years;</li> <li>b) the total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date;</li> <li>c) lease and sublease payments recognised in income for the period, with separate amounts for minimum lease payments, contingent rents and sublease payments; and</li> <li>d) a general description of the lessee's significant leasing arrangements including, but not limited to, the basis on which contingent rents are determined; the existence and terms of renewal or purchase options and escalation clauses; and restrictions imposed by lease arrangements (such as those concerning dividends, additional debt and further leasing).</li> </ul> <p><i>Note: The disclosures specified in items 8118 and 8119 above are in addition to the requirements of IAS 32 (r1998), Financial Instruments: Disclosure and Presentation.</i></p> <p><b>FINANCIAL INSTRUMENTS: DISCLOSURE AND PRESENTATION</b></p>	<p>17(r1997).27</p> <p>17(r1997).23, 27</p>
8120	<p>The issuer of a financial instrument should classify the instrument (or its component parts), as either a liability or as equity, in accordance with the substance of the contractual arrangement on initial recognition, and by reference to the definitions of a financial liability and an equity instrument.</p> <p><i>Note: Where the rights and obligations regarding the manner of settlement of a financial instrument depend on the occurrence or non-occurrence of uncertain future events or on the outcome of uncertain circumstances that are beyond the control of both the issuer and the holder, the financial instrument should be classified as a liability, except where the possibility of the issuer being required to settle in cash or another financial asset is remote at the time of issuance, when the contingent settlement provision should be ignored and the instrument should be classified as equity. [SIC 5.5 &amp; 5.6]</i></p>	32(r1998).18
8121	The issuer of a financial instrument that contains both a liability and an equity element, should classify the component parts separately in accordance with item 8120 above.	32(r1998).23
8122	Interest, dividends, losses and gains relating to a financial instrument, or a component part, which is classified as a financial liability, should be reported in the income statement as expense or income.	32(r1998).30
8123	Distributions to holders of financial instruments which are classified as equity instruments should be debited directly to equity.	32(r1998).30
8124	<p>A financial asset and a financial liability should be offset, and the net amount reported in the balance sheet if, but only if, both of the following conditions are met:</p> <ul style="list-style-type: none"> <li>a) the enterprise has a legally enforceable right to set off the recognised amounts; and</li> <li>b) the enterprise intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.</li> </ul>	32(r1998).33

Ref.	Presentation/Disclosure Requirement	Source
8125	The enterprise should describe its financial risk management objectives and policies, including its policy for hedging each major type of forecasted transaction for which hedge accounting is used.	32(r1998).43A
8126	For each class of financial asset, financial liability and equity instrument, both recognised and unrecognised, the enterprise should 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.	32(r1998).47(a)
8127	For each class of financial asset and financial liability, both recognised and unrecognised, the enterprise should disclose information about its exposure to interest rate risk, including: <ul style="list-style-type: none"> <li>a) contractual repricing or maturity dates, whichever dates are earlier; and</li> <li>b) effective interest rates, when applicable.</li> </ul>	32(r1998).56
8128	For each class of financial asset, both recognised and unrecognised, the enterprise should disclose information about its exposure to credit risk, including: <ul style="list-style-type: none"> <li>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 that other parties fail to perform their obligations under financial instruments; and</li> <li>b) significant concentrations of credit risk.</li> </ul>	32(r1998).66
8129	For each class of financial asset and financial liability, both recognised and unrecognised, the enterprise should disclose information about fair value, unless it is impracticable to do so.	32(r1998).77
8130	When it is not practicable to disclose the fair value information required under item 8129 above, within given constraints of timeliness or cost, that fact should be disclosed, together with information about the principal characteristics of the underlying financial instrument that are pertinent to its fair value.	32(r1998).77
8131	Where an enterprise carries one or more financial assets at an amount in excess of their fair value, it should disclose both: <ul style="list-style-type: none"> <li>a) the carrying amount and the fair value of either the individual assets or appropriate groupings of those individual assets; and</li> <li>b) the reasons for not reducing the carrying amount, including the nature of the evidence that provides the basis for management's belief that the carrying amount will be recovered.</li> </ul> <p><i>Note: The requirements of items 8129 to 8131 above do not apply to those financial assets and financial liabilities carried at fair value.</i></p>	32(r1998).88
8132	The enterprise should disclose a description of its financial risk management objectives and policies, including its policy for hedging each major type of forecasted transaction.	39(r2000).169(a)
8133	The financial statements should disclose the following (separately for designated fair value hedges, cash flow hedges, and hedges of a net investment in a foreign entity): <ul style="list-style-type: none"> <li>a) a description of the hedge;</li> </ul>	39(r2000).169(b)

Ref.	Presentation/Disclosure Requirement	Source
	<p>b) a description of the financial instruments designated as hedging instruments for the hedge and their fair values at the balance sheet date;</p> <p>c) the nature of the risks being hedged; and</p> <p>d) for hedges of forecasted transactions, the periods in which the forecasted transactions are expected to occur, when they are expected to enter into the determination of net profit or loss, and a description of any forecasted transaction for which hedge accounting had previously been used but that is no longer expected to occur.</p>	
8134	<p>If a gain or loss on derivative and non-derivative financial assets and liabilities designated as hedging instruments in cash flow hedges has been recognised directly in equity, the following should be disclosed:</p> <p>a) the amount that was so recognised in equity during the current period;</p> <p>b) the amount that was removed from equity and reported in net profit or loss for the period; and</p> <p>c) the amount that was removed from equity and added to the initial measurement of the acquisition cost or other carrying amount of the asset or liability in a hedged forecasted transaction during the current period (see IAS 39(r2000), paragraph 160).</p>	39(r2000).169(c)
8135	<p>If a gain or loss from remeasuring available-for-sale financial assets to fair value (other than assets relating to hedges) has been recognised directly in equity, the financial statements should disclose:</p> <p>a) the amount that was so recognised in equity during the current period; and</p> <p>b) the amount that was removed from equity and reported in net profit or loss for the period.</p>	39(r2000).170(a)
8136	<p>If the presumption that fair value can be reliably measured for all financial assets that are available for sale or held for trading has been overcome and the enterprise is, therefore, measuring any such financial assets at amortised cost, that fact should be disclosed, together with a description of the financial assets, their carrying amount, an explanation of why fair value cannot be reliably measured, and, if possible, the range of estimates within which fair value is highly likely to lie.</p>	39(r2000).170(b)
8137	<p>If financial assets whose fair value previously could not be measured reliably are sold, that fact should be disclosed as well as the carrying amount of such financial assets at the time of sale, and the amount of gain or loss recognised.</p>	39(r2000).170(b)
8138	<p>The financial statements should disclose significant items of income, expense, and gains and losses resulting from financial assets and financial liabilities, whether included in net profit or loss or as a separate component of equity.</p> <p><i>Notes:</i></p> <p>1. <i>For the purpose of item 8138, total interest income and total interest expense should be disclosed separately.</i></p>	39(r2000).170(c)



Ref.	Presentation/Disclosure Requirement	Source
	<p>2. <i>For the purpose of item 8138, with respect to available-for-sale financial assets that are adjusted to fair value after initial acquisition, total gains and losses from derecognition of such financial assets and included in net profit or loss for the period should be reported separately from total gains and losses from fair value adjustments of recognised assets and liabilities included in net profit or loss for the period. A similar split of 'realised' versus 'unrealised' gains and losses with respect to financial assets and liabilities held for trading is not required.</i></p> <p>3. <i>For the purpose of item 8138, the enterprise should disclose the amount of interest income that has been accrued on impaired loans pursuant to IAS 39(r2000), paragraph 116, and that has not yet been received in cash.</i></p>	
8139	<p>If the enterprise has entered into a securitisation or repurchase agreement, it should disclose, separately for such transactions occurring in the current financial reporting period and for remaining retained interests from transactions occurring in prior financial reporting periods:</p> <p>a) the nature and extent of such transactions, including a description of any collateral, and quantitative information about the key assumptions used in calculating the fair values of new and retained interests; and</p> <p>b) whether the financial assets have been derecognised.</p>	39(r2000).170(d)
8140	If the enterprise has reclassified a financial asset as one required to be reported at amortised cost rather than at fair value, the reason for that reclassification should be disclosed.	39(r2000).170(e)
8141	Disclosure should be made of the nature and amount of any impairment loss or reversal of an impairment loss recognised for a financial asset, separately for each significant class of financial asset.	39(r2000).170(f)
8142	A borrower should disclose the carrying amount of financial assets pledged as collateral for liabilities and any significant terms and conditions relating to pledged assets.	39(r2000).170(g)
8143	<p>A lender should disclose:</p> <p>a) the fair value of collateral (both financial and non-financial assets) that it has accepted and that it is permitted to sell or repledge in the absence of default;</p> <p>b) the fair value of collateral that is sold or repledged; and</p> <p>c) any significant terms and conditions associated with its use of collateral.</p> <p><b>EMPLOYEE BENEFITS</b></p> <p><b><i>Post-Employment Benefits</i></b></p>	39(r2000).170(h)
8144	For defined contribution plans, the enterprise should disclose the amount recognised as an expense in the period.	19(r2002).46
8145	<p>For defined benefit plans, the enterprise should disclose 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> <p>a) current service cost;</p> <p>b) interest cost;</p>	19(r2002).120(f)



Ref.	Presentation/Disclosure Requirement	Source
	<ul style="list-style-type: none"> <li>c) expected return on plan assets;</li> <li>d) expected return on any reimbursement right recognised as an asset under IAS 19(r2002), paragraph 104A;</li> <li>e) actuarial gains and losses;</li> <li>f) past service cost; and</li> <li>g) the effect of any curtailment or settlement.</li> </ul>	
8146	<p>An asset relating to one retirement benefit plan should be offset against a liability relating to another plan when, and only when, the following conditions are satisfied:</p> <ul style="list-style-type: none"> <li>a) the enterprise has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and</li> <li>b) the enterprise intends either to settle the obligations on a net basis, or to realise the surplus on one plan and settle its obligations under the other plan simultaneously.</li> </ul>	19(r2002).116
8147	<p>The following information should be disclosed about defined benefit plans:</p> <ul style="list-style-type: none"> <li>a) a general description of the type of plan;</li> <li>b) a reconciliation of the assets and liabilities recognised in the balance sheet, showing at least: <ul style="list-style-type: none"> <li>i) the present value at the balance sheet date of defined benefit obligations that are wholly unfunded;</li> <li>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;</li> <li>iii) the fair value of any plan assets at the balance sheet date;</li> <li>iv) the net actuarial gains or losses not recognised in the balance sheet;</li> <li>v) the past service cost not yet recognised in the balance sheet;</li> <li>vi) any amount not recognised as an asset, because of the limit restrictions imposed by IAS 19 (r2002), paragraph 58(b);</li> <li>vii) the fair value at the balance sheet date of any reimbursement right recognised as an asset under IAS 19 (r2002), paragraph 104A (with a brief description of the link between the reimbursement right and the related obligation); and</li> <li>viii) the other amounts recognised in the balance sheet;</li> </ul> </li> <li>c) the amounts included in the fair value of plan assets for: <ul style="list-style-type: none"> <li>i) each category of the reporting enterprise's own financial instruments; and</li> <li>ii) any property occupied by, or other assets used by, the reporting enterprise;</li> </ul> </li> <li>d) a reconciliation showing the movements during the period in the net liability (or asset) recognised in the balance sheet;</li> </ul>	<p>19(r2002).120(b)</p> <p>19(r2002).120(c)</p> <p>19(r2002).120(d)</p> <p>19(r2002).120(e)</p>

Ref.	Presentation/Disclosure Requirement	Source
	<p>e) the actual return on plan assets, as well as the actual return on any reimbursement right recognised as an asset under IAS 19(r2002), paragraph 104A and;</p> <p>f) the principal actuarial assumptions used as at the balance sheet date, including, where applicable:</p> <ul style="list-style-type: none"> <li>i) the discount rates;</li> <li>ii) the expected rates of return on any plan assets for the periods presented in the financial statements;</li> <li>iii) the expected rates of return for the periods presented in the financial statements on any reimbursement right recognised as an asset under IAS 19 (r2002), paragraph 104A;</li> <li>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);</li> <li>v) medical cost trend rates; and</li> <li>vi) any other material actuarial assumptions used.</li> </ul> <p><i>Notes:</i></p> <p>1. <i>The enterprise should 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> <p>2. <i>When an enterprise has more than one defined benefit plan, disclosures may be made in total, separately for each plan, or under appropriate groupings.</i></p>	<p>19(r2002).120(g)</p> <p>19(r2002).120(h)</p>
8148	Where a multi-employer plan is accounted for as a defined benefit plan, the enterprise should disclose the information specified in item 8147 above.	19(r2002).29
8149	<p>Where a multi-employer plan is a defined benefit plan, but is accounted for as a defined contribution plan because sufficient information is not available to use defined-benefit accounting, the enterprise should disclose:</p> <ul style="list-style-type: none"> <li>a) the fact that the plan is a defined benefit plan;</li> <li>b) the reason why sufficient information is not available to enable the enterprise to account for the plan as a defined benefit plan; and</li> <li>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"> <li>i) any available information about that surplus or deficit;</li> <li>ii) the basis used to determine that surplus or deficit; and</li> <li>iii) the implications, if any, for the enterprise.</li> </ul> </li> </ul> <p><b><i>Equity Compensation Benefits</i></b></p>	19(r2002).30
8150	<p>In respect of equity compensation benefits, the following should be disclosed:</p> <ul style="list-style-type: none"> <li>a) the nature and terms (including any vesting rules) of equity compensation plans;</li> </ul>	19(r2002).147(a)

Ref.	Presentation/Disclosure Requirement	Source
	b) the amounts recognised in the financial statements for equity compensation plans;	19(r2002).147(c)
	c) the number and terms (including, where applicable, dividend and voting rights, conversion rights, exercise dates, exercise prices and expiry dates) of the enterprise's own equity financial instruments which are held by equity compensation plans (and, in the case of share options, by employees) at the beginning and end of the period, and the extent to which employees' entitlements to those instruments are vested at the beginning and end of the period;	19(r2002).147(d)
	d) the number and terms (including, where applicable, dividend and voting rights, conversion rights, exercise dates, exercise prices and expiry dates) of equity financial instruments issued by the enterprise to equity compensation plans or to employees (or of the enterprise's own equity financial instruments distributed by equity compensation plans to employees) during the period and the fair value of any consideration received from the equity compensation plans or the employees;	19(r2002).147(e)
	e) the number, exercise dates and exercise prices of share options exercised under equity compensation plans during the period;	19(r2002).147(f)
	f) the number of share options held by equity compensation plans, or held by employees under such plans, that lapsed during the period; and	19(r2002).147(g)
	g) the amount, and principal terms, of any loans or guarantees granted by the reporting enterprise to, or on behalf of, equity compensation plans.	19(r2002).147(h)
	<i>Note: When an enterprise has more than one equity compensation plan, disclosures may be made in total, separately for each plan, or under appropriate groupings.</i>	19(r2002).149
8151	Unless it is impracticable to do so, the following additional items should be disclosed:  a) the fair value, at the beginning and end of the period, of the enterprise's own equity financial instruments (other than share options) held by equity compensation plans; and  b) the fair value, at the date of issue, of the enterprise's own equity financial instruments (other than share options) issued by the enterprise to equity compensation plans or to employees during the period.	19(r2002).148
8152	If it is not practicable to determine the fair value of the equity financial instruments specified for disclosure under item 8151 above, that fact should be disclosed.	19(r2002).148
8153	On implementation of IAS 19 (r1998), the enterprise should determine its transitional liability in accordance with IAS 19(r1998), paragraph 154. Where the enterprise elects to recognise any excess of the transitional liability over the liability that would have been arrived at under its previous accounting policy over a period of up to 5 years, rather than immediately, it should disclose at each balance sheet date:  a) the amount of the excess that remains unrecognised; and  b) the amount recognised in the current period.	19(r2002).155(b)

Ref.	Presentation/Disclosure Requirement	Source
8154	Specific amendments to IAS 19 regarding the revised definition of plan assets, the related definitions of assets held by a long-term employee benefit fund and qualifying insurance policy, and the recognition and measurement requirements for reimbursements, and related disclosures become operative for annual financial statements beginning on or after 1 January 2001. If earlier adoption of these amendments affects the financial statements, that fact should be disclosed.	19(r2002).159
8155	Specific amendments to IAS 19 regarding the asset ceiling test become operative for annual financial statements covering periods ending on or after 31 May 2002. If earlier adoption of these amendments affects the financial statements, that fact should be disclosed.	19(r2002).159A
	<b>PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS</b>	
8156	For each class of provision, the enterprise should disclose: <ul style="list-style-type: none"> <li>a) the carrying amount at the beginning and end of the period;</li> <li>b) additional provisions made in the period, including increases to existing provisions;</li> <li>c) amounts used (i.e. incurred and charged against the provision) during the period;</li> <li>d) unused amounts reversed during the period; and</li> <li>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.</li> </ul> <i>Note: Comparative information is not required for the disclosures specified in item 8156.</i>	37.84
8157	The enterprise should disclose the following for each class of provision: <ul style="list-style-type: none"> <li>a) a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits;</li> <li>b) an indication of the uncertainties about the amount or timing of those outflows including, where necessary to provide adequate information, the major assumptions made concerning future events; and</li> <li>c) the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.</li> </ul>	37.85
8158	Unless the possibility of any outflow in settlement is remote, the enterprise should disclose, for each class of contingent liability at the balance sheet date, a brief description of the nature of the contingent liability.	37.86
8159	Where practicable, the following information should also be disclosed in respect of contingent liabilities: <ul style="list-style-type: none"> <li>a) an estimate of the financial effect of the contingent liability, under the measurement rules specified in IAS 37, paragraphs 36 to 52;</li> <li>b) an indication of the uncertainties relating to the amount or timing of any outflow; and</li> <li>c) the possibility of any reimbursement.</li> </ul>	37.86

Ref.	Presentation/Disclosure Requirement	Source
8160	Where an inflow of economic benefits is probable, the enterprise should disclose a brief description of the nature of the contingent assets at the balance sheet date.	37.89
8161	Where practicable, the enterprise should also disclose an estimate of the financial effect of contingent assets, measured using the principles specified in IAS 37, paragraphs 36 to 52.	37.89
8162	Where any of the information required by items 8158 to 8161 is not disclosed, because it is not practicable to do so, that fact should be stated.	37.91
8163	In the extremely rare case where information is not disclosed because disclosure of some or all of the information required by items 8156 to 8161 could be expected to prejudice seriously the position of the enterprise in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset, the enterprise should disclose the general nature of the dispute, together with the fact that, and the reason why, the information has not been disclosed.	37.92
8164	On implementation of IAS 37, if comparative information is not restated, that fact should be disclosed.	37.93
8165	<p>A venturer should 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> <p>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 which have been incurred jointly with other venturers;</p> <p>b) its share of the contingent liabilities of the joint ventures themselves for which it is contingently liable; and</p> <p>c) those contingent liabilities that arise because the venturer is contingently liable for the liabilities of the other venturers in a joint venture.</p> <p><b>COMMITMENTS</b></p>	31(r2000).45,48
8166	The financial statements should disclose the amount of commitments for the acquisition of property, plant and equipment.	16(r1998).61(d)
8167	The financial statements should disclose material contractual obligations to purchase, construct or develop investment property, or for repairs, maintenance or enhancements.	40.66(f)
8168	The financial statements should disclose the amount of commitments for the acquisition of intangible assets.	38.111(e)
8169	<p>A venturer should disclose the aggregate amount of the following commitments in respect of its interests in joint ventures, separately from the amount of other commitments:</p> <p>a) any capital commitments that the venturer has incurred in relation to its interests in joint ventures and its share in each of the capital commitments that have been incurred jointly with other venturers; and</p> <p>b) its share of the capital commitments of the joint ventures themselves.</p>	31(r2000).46,48

Ref.	Presentation/Disclosure Requirement	Source
	<b>GOVERNMENT GRANTS</b>	
8170	The following information should be disclosed in the financial statements:	
	a) the nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the enterprise has directly benefited; and	20.39(b)
	b) unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.	20.39(c)
	<b>RELATED PARTY DISCLOSURES</b>	
	<i>Note: IAS 24, Related Party Disclosures, does not specifically require the disclosure of the employee benefits of directors and key management. The Standard acknowledges that disclosures will generally be specified by local laws or stock exchange regulations. However, if there are no such local requirements, the payment of such benefits constitutes a transaction between the enterprise and a related party and, as such, is prima facie disclosable.</i>	
8171	Related party relationships where control exists should be disclosed in the financial statements, irrespective of whether there have been transactions between the related parties.	24.20
8172	If there have been transactions between related parties, the enterprise should disclose the nature of the related party relationships, as well as the types of transactions and the elements of the transactions necessary for an understanding of the financial statements.	24.22
	<i>Note:</i>	
	<i>The elements of a transaction necessary for an understanding of the financial statements will normally include:</i>	24.23
	a) <i>an indication of the volume of the transactions either as an amount or as an appropriate proportion;</i>	
	b) <i>amounts or appropriate proportions of outstanding items; and</i>	
	c) <i>pricing policies.</i>	
8173	Items of a similar nature should only be aggregated when such aggregation is appropriate on the basis that separate disclosure is not necessary for an understanding of the effects of related party transactions on the financial statements.	24.24
8174	Separate disclosure should be made of amounts payable to and receivable from:	1(r1999).72
	a) the parent enterprise;	
	b) fellow subsidiaries and associates; and	
	c) other related parties.	
	<b>EVENTS AFTER THE BALANCE SHEET DATE</b>	
8175	The enterprise should disclose the date when the financial statements were authorised for issue.	10(r1999).16
8176	If the enterprise's owners or others have the power to amend the financial statements after issuance, the enterprise should disclose that fact.	10(r1999).16

Ref.	Presentation/Disclosure Requirement	Source
8177	If the enterprise receives information after the balance sheet date about conditions that existed at the balance sheet, the enterprise should update disclosures that relate to those conditions, in the light of the new information.	10(r1999).18
8178	<p>Where non-adjusting events after the balance sheet date are of such importance that non-disclosure would affect the ability of the users of financial statements to make proper evaluations and decisions, the enterprise should disclose the following information for each significant category of non-adjusting event after the balance sheet date:</p> <ul style="list-style-type: none"> <li>a) the nature of the event; and</li> <li>b) an estimate of its financial effect, or a statement that such an estimate cannot be made.</li> </ul>	10(r1999).20

## SECTION 9 ADDITIONAL DISCLOSURE REQUIREMENTS - BANKS AND SIMILAR FINANCIAL INSTITUTIONS (IAS 30)

Ref.	Presentation/Disclosure Requirement	Source
	<p><i>Note: For the purposes of IAS 30, a bank is defined as a financial institution, one of whose principal activities is to take deposits and borrow with the objective of lending and investing, and which is within the scope of banking or similar legislation, whether or not it has the word 'bank' in its name.</i></p> <p><b>INCOME STATEMENT – GENERAL</b></p>	
9001	The income statement should group income and expenses by nature and disclose the amounts of the principal types of income and expenses.	30.9
9002	<p>In addition to the requirements of other IFRS, the following items of income and expense should be disclosed in the income statement or in the notes to the financial statements:</p> <ul style="list-style-type: none"> <li>a) interest and similar income;</li> <li>b) interest expense and similar charges;</li> <li>c) dividend income;</li> <li>d) fee and commission income;</li> <li>e) fee and commission expense;</li> <li>f) gains less losses arising from dealing securities;</li> <li>g) gains less losses arising from investment securities;</li> <li>h) gains less losses arising from dealing in foreign currencies;</li> <li>i) other operating income;</li> <li>j) losses on loans and advances;</li> <li>k) general administrative expenses; and</li> <li>l) other operating expenses.</li> </ul>	30.10
9003	Items of income and expense should be offset only when they are relate to hedges or to assets and liabilities that have been offset in compliance with item 9006 below.	30.13
	<b>BALANCE SHEET – GENERAL</b>	
9004	The balance sheet should group assets and liabilities by nature, and list them in an order that reflects their relative liquidity.	30.18
9005	<p>In addition to the requirements of other IFRS, the following assets and liabilities should be disclosed in the balance sheet or in the notes to the financial statements:</p> <p><b>Assets</b></p> <ul style="list-style-type: none"> <li>a) cash and balances with the central bank;</li> <li>b) treasury bills and other bills eligible for rediscounting with the central bank;</li> </ul>	30.19



Ref.	Presentation/Disclosure Requirement	Source
	<ul style="list-style-type: none"> <li>c) government and other securities held for dealing purposes;</li> <li>d) placements with, and loans and advances to, other banks;</li> <li>e) other money market placements;</li> <li>f) loans and advances to customers; and</li> <li>g) investment securities.</li> </ul> <p><b>Liabilities</b></p> <ul style="list-style-type: none"> <li>a) deposits from other banks;</li> <li>b) other money market deposits;</li> <li>c) amounts owed to other depositors;</li> <li>d) certificates of deposit;</li> <li>e) promissory notes and other liabilities evidenced by paper; and</li> <li>f) other borrowed funds.</li> </ul>	
9006	Assets and liabilities should be offset only when a legal right of set-off exists and the offsetting represents the expectation as to the realisation of the asset or settlement of the liability.	30.23
9007	The bank should disclose the fair value of each class of its financial assets and liabilities as required by IAS 32 (r1998) <i>Financial Instruments: Disclosure and Presentation</i> and IAS 39 (r2000) <i>Financial Instruments: Recognition and Measurement</i> .	30.24
	<b>CONTINGENT LIABILITIES AND COMMITMENTS (INCLUDING OFF-BALANCE SHEET ITEMS)</b>	
9008	<p>The bank should disclose the following contingent liabilities and commitments:</p> <ul style="list-style-type: none"> <li>a) the nature and amount of commitments to extend credit that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense; and</li> <li>b) the nature and amount of contingent liabilities and commitments arising from off-balance sheet items, including those relating to: <ul style="list-style-type: none"> <li>i) direct credit substitutes, including general guarantees of indebtedness, bank acceptance guarantees and standby letters of credit serving as financial guarantees for loans and securities;</li> <li>ii) certain transaction-related contingent liabilities, including performance bonds, bid bonds, warranties and standby letters of credit related to particular transactions;</li> <li>iii) short-term, self-liquidating, trade-related contingent liabilities arising from the movement of goods, such as documentary credits where the underlying shipment is used as security;</li> <li>iv) any sale and repurchase agreements not recognised in the balance sheet;</li> </ul> </li> </ul>	30.26

Ref.	Presentation/Disclosure Requirement	Source
	<ul style="list-style-type: none"> <li>v) interest and foreign exchange rate-related items, including swaps, options and futures; and</li> <li>vi) other commitments, note issuance facilities and revolving underwriting facilities.</li> </ul>	
	<b>MATURITIES OF ASSETS AND LIABILITIES</b>	
9009	The bank should provide an analysis of assets and liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date.	30.30
	<b>CONCENTRATIONS OF ASSETS AND LIABILITIES</b>	
9010	<p>The bank's financial statements should disclose:</p> <ul style="list-style-type: none"> <li>a) any significant concentrations of its assets, liabilities and off-balance sheet items, in terms of geographical areas, customer or industry groups, or other concentrations of risk; and</li> <li>b) the amount of significant net foreign currency exposures.</li> </ul>	30.40
	<b>LOSSES ON LOANS AND ADVANCES</b>	
9011	<p>The bank should disclose the following:</p> <ul style="list-style-type: none"> <li>a) the accounting policy that describes the basis on which uncollectable loans and advances are recognised as an expense and written off;</li> <li>b) details of the movements in the provision for losses on loans and advances during the period, disclosing separately: <ul style="list-style-type: none"> <li>i) the amount charged to income in the period for losses on uncollectible loans and advances;</li> <li>ii) the amount charged in the period for loans and advances written off; and</li> <li>iii) the amount credited in the period for loans and advances previously written off that have been recovered;</li> </ul> </li> <li>c) the aggregate amount of the provision for losses on loans and advances at the balance sheet date; and</li> <li>d) the aggregate amount included in the balance sheet for loans and advances on which interest is not being accrued and the basis used to determine the carrying amount of such loans and advances.</li> </ul>	30.43
9012	Any amounts that have been set aside in respect of losses on loans and advances (in addition to those losses that have been specifically identified or potential losses that experience indicates are inherent in any portfolio of loans and advances) should be accounted for as appropriations of retained earnings.	30.44
9013	Any credits resulting from the reduction of the amounts referred to in item 9012 should be excluded from the determination of net income and credited to retained earnings.	30.44

Ref.	Presentation/Disclosure Requirement	Source
	<b>GENERAL BANKING RISKS</b>	
9014	Any amounts that have been set aside for general banking risks (including those covering future losses and other unforeseeable risks or contingencies) should be separately disclosed as appropriations of retained earnings.	30.50
9015	Any credits resulting from the reduction of the amounts referred to in item 9014 should be excluded from the determination of net profit or loss for the period and should be credited to retained earnings.	30.50
	<b>ASSETS PLEDGED AS SECURITY</b>	
9016	The bank should disclose: <ul style="list-style-type: none"> <li>a) the aggregate amount of secured liabilities; and</li> <li>b) the nature and carrying amount of the assets pledged as security.</li> </ul>	30.53

## SECTION 10 DISCLOSURE OF INFORMATION REFLECTING THE EFFECTS OF CHANGING PRICES (IAS 15)

Ref.	Presentation/Disclosure Requirement	Source
	<p><i>Notes</i></p> <p>1. <i>A particular exemption is permitted in relation to IAS 15. Arising from the failure to reach international consensus on the disclosure of information reflecting the effects of changing prices, enterprises need not disclose the information required by IAS 15 in order that their financial statements conform with International Financial Reporting Standards. However, enterprises are encouraged to disclose information reflecting the effects of changing prices and, where they do so, to disclose the items required by IAS 15.</i></p> <p>2. <i>IAS 15 applies to enterprises whose levels of revenues, profit, assets or employment are significant in the economic environment in which they operate. When both parent company and consolidated financial statements are presented, the information called for by this section need be presented only on the basis of consolidated information.</i></p> <p><i>The information is not required for a subsidiary operating in the country of domicile of its parent if consolidated information on this basis is presented by the parent. For subsidiaries operating in a country other than the country of domicile of the parent, the information specified is required only when it is accepted practice for similar information to be presented by enterprises of economic significance in that country.</i></p> <p>3. <i>Presentation of information reflecting the effects of changing prices is encouraged for other entities in the interest of promoting more informative financial reporting.</i></p>	
10001	<p>The following items should be disclosed using an accounting method reflecting the effects of changing prices:</p> <p>a) the amount of the adjustment to or the adjusted amount of depreciation of property, plant and equipment;</p> <p>b) the amount of the adjustment to or the adjusted amount of cost of sales;</p> <p>c) the adjustments relating to monetary items, the effect of borrowing, or equity interests when such adjustments have been taken into account in determining income under the accounting method adopted;</p> <p>d) the overall effect of the adjustments described in (a) and (b) and, where appropriate, (c), as well as any other items reflecting the effects of changing prices that are reported under the accounting method adopted;</p> <p>e) if a current cost method is adopted, the current cost of property, plant and equipment, and of inventories; and</p> <p>f) a description of the methods adopted to compute the information specified by (a) to (e) above, including the nature of any indices used.</p>	<p>15.8</p> <p>15.21(a)</p> <p>15.21(b)</p> <p>15.21(c)</p> <p>15.21(d)</p> <p>15.22</p> <p>15.23</p>
10002	If the information specified above has not been presented in the primary financial statements, it should be provided on a supplementary basis.	15.24

## SECTION 11 DISCLOSURES FOR ENTERPRISES REPORTING IN THE CURRENCY OF A HYPERINFLATIONARY ECONOMY (IAS 29)

Ref.	Presentation/Disclosure Requirement	Source
	<i>Note: This section applies to the primary financial statements, including the consolidated financial statements, of any enterprise that reports in the currency of a hyperinflationary economy.</i>	
11001	The financial statements of an enterprise that reports in the currency of a hyperinflationary economy (whether based on a historical cost approach or a current cost approach) should be stated in terms of the measuring unit current at the balance sheet date.	29.8
11002	The corresponding figures for the previous period, and any information in respect of earlier periods, should be stated in terms of the measuring unit current at the balance sheet date.	29.8
11003	The gain or loss on the net monetary position should be included in net income and separately disclosed.	29.9
11004	The financial statements should disclose the following information: <ul style="list-style-type: none"> <li>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 reporting currency and, as a result, are stated in terms of the measuring unit current at the balance sheet date;</li> <li>b) whether the financial statements are based on a historical cost or current cost approach; and</li> <li>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.</li> </ul>	29.39
11005	When the economy has ceased to be hyperinflationary, and the enterprise has discontinued the preparation and presentation of financial statements prepared in accordance with IAS 29, the enterprise should treat the amounts expressed in the measuring unit current at the end of the previous reporting period as the basis for the carrying amounts in its subsequent financial statements.	29.38

## SECTION 12 DISCLOSURES FOR ENTERPRISES ENGAGED IN AGRICULTURAL ACTIVITY (IAS 41)

Ref.	Presentation/Disclosure Requirement	Source
12001	The enterprise should present the carrying amount of its biological assets separately on the face of its balance sheet.	41.39
	<b>GENERAL DISCLOSURES</b>	
12002	The enterprise should 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.	41.40
12003	The enterprise should provide a description of each group of biological assets, either in narrative form or as a quantified description.	41.41
12004	If not disclosed elsewhere in information published with the financial statements, the enterprise should describe: <ul style="list-style-type: none"> <li>a) the nature of its activities involving each group of biological assets; and</li> <li>b) non-financial measures or estimates of the physical quantities of: <ul style="list-style-type: none"> <li>i) each group of the enterprise's biological assets at the end of the period; and</li> <li>ii) output of agricultural produce during the period.</li> </ul> </li> </ul>	41.46
12005	The enterprise should disclose the methods used 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.	41.47
12006	The enterprise should disclose the fair value less estimated point-of-sale costs of agricultural produce harvested during the period, determined at the point of harvest.	41.48
12007	The enterprise should disclose: <ul style="list-style-type: none"> <li>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;</li> <li>b) the amount of commitments for the development or acquisition of biological assets; and</li> <li>c) financial risk management strategies related to agricultural activity.</li> </ul>	41.49
12008	The enterprise should present a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period, including: <ul style="list-style-type: none"> <li>a) the gain or loss arising from changes in fair value less estimated point-of-sale costs;</li> <li>b) increases due to purchases;</li> <li>c) decreases due to sales;</li> <li>d) decreases due to harvest;</li> </ul>	41.50

Ref.	Presentation/Disclosure Requirement	Source
	<p>e) increases resulting from business combinations;</p> <p>f) net exchange differences arising on the translation of the financial statements of a foreign entity; and</p> <p>g) other changes.</p> <p><i>Note: Comparative information is not required for the reconciliation specified in item 12008.</i></p> <p><b>ADDITIONAL DISCLOSURES FOR BIOLOGICAL ASSETS WHERE FAIR VALUE CANNOT BE MEASURED RELIABLY</b></p>	
12009	<p>If the enterprise measures biological assets at their cost less any accumulated depreciation and any accumulated impairment losses at the end of the period, the enterprise should disclose for such biological assets:</p> <p>a) a description of the biological assets;</p> <p>b) an explanation of why fair value cannot be measured reliably;</p> <p>c) if possible, the range of estimates within which fair value is highly likely to lie;</p> <p>d) the depreciation method used;</p> <p>e) the useful lives or the depreciation rates used; and</p> <p>f) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period.</p>	41.54
12010	<p>If, during the current period, the enterprise measures biological assets at their cost less any accumulated depreciation and any accumulated impairment losses, the enterprise should disclose any gain or loss recognised on disposal of such biological assets and the reconciliation required under item 12008 above should disclose amounts related to such biological assets separately.</p>	41.55
12011	<p>In the circumstances described at item 12010, the reconciliation should also include the following amounts included in net profit or loss related to those biological assets:</p> <p>a) impairment losses;</p> <p>b) reversals of impairment losses; and</p> <p>c) depreciation.</p>	
12012	<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, the enterprise should disclose for those biological assets:</p> <p>a) a description of the biological assets;</p> <p>b) an explanation of why fair value has become reliably measurable; and</p> <p>c) the effect of the change.</p>	41.56

Ref.	Presentation/Disclosure Requirement	Source
	<b>GOVERNMENT GRANTS</b>	
12013	<p>The enterprise should disclose the following related to agricultural activity covered by IAS 41:</p> <ul style="list-style-type: none"> <li>a) the nature and extent of government grants recognised in the financial statements.</li> <li>b) unfulfilled conditions and other contingencies attaching to government grants; and</li> <li>c) significant decreases expected in the level of government grants.</li> </ul>	41.57
	<b>TRANSITIONAL PROVISIONS</b>	
12014	<p>If the enterprise applies IAS 41 for periods beginning before 1 January 2003 (its effective date), that fact should be disclosed.</p>	41.58



## SECTION 13 DISCLOSURES FOR SERVICE CONCESSION ARRANGEMENTS (SIC 29)

Ref.	Presentation/Disclosure Requirement	Source
	<p><i>Notes:</i></p> <p><i>SIC 29 sets out the required disclosures where an enterprise (the Concession Operator) enters into an arrangement with another enterprise (the Concession Provider) to provide services that give the public access to major economic and social facilities.</i></p> <p><i>Examples of such service concession arrangements involve water treatment and supply facilities, motorways, car parks, tunnels, bridges, airports and telecommunication networks.</i></p> <p><i>A service concession arrangement generally involves the Concession Provider conveying for the period of the concession to the Concession Operator:</i></p> <ul style="list-style-type: none"> <li><i>a) the right to provide services that give the public access to major economic and social facilities, and</i></li> <li><i>b) in some cases, the right to use specified tangible assets, intangible assets and/or financial assets,</i></li> </ul> <p><i>in exchange for the Concession Operator:</i></p> <ul style="list-style-type: none"> <li><i>a) committing to provide the services according to certain terms and conditions during the concession period, and</i></li> <li><i>b) when applicable, committing to return at the end of the concession period the rights received at the beginning of the concession period and/or acquired during the concession period.</i></li> </ul> <p><i>Certain aspects and disclosures relating to some service concession arrangements are addressed by IFRS (e.g. IAS 16 applies to acquisitions of property, plant and equipment; IFRS 17 applies to leases of assets; IAS 38 applies to acquisitions of intangible assets). However, given that the arrangements may involve executory contracts that are not addressed in IFRS, unless they are onerous, in which case IAS 37, Provisions, Contingent Liabilities and Contingent Assets, applies, SIC 29 has introduced additional disclosures for service concession arrangements.</i></p>	
13001	<p>All aspects of a service concession arrangement should be considered in determining the appropriate disclosures in the notes to the financial statements. A Concession Operator and a Concession Provider should disclose the following in each period:</p> <ul style="list-style-type: none"> <li>a) a description of the arrangement;</li> <li>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);</li> <li>c) the nature and extent (e.g. quantity, time period or amount, as appropriate) of: <ul style="list-style-type: none"> <li>i) rights to use specified assets;</li> <li>ii) obligations to provide or rights to expect provision of service;</li> </ul> </li> </ul>	SIC 29.6

Ref.	Presentation/Disclosure Requirement	Source
	<p>iii) obligations to acquire or build items of property, plant and equipment;</p> <p>iv) obligations to deliver or rights to receive specified assets at the end of the concession period;</p> <p>v) renewal and termination options; and</p> <p>vi) other rights and obligations (e.g. major overhauls); and</p> <p>d) changes in the arrangements occurring during the period.</p> <p><i>Note: The disclosures required by item 13001 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>	SIC 29.7

## SECTION 14 DISCLOSURES ON FIRST-TIME APPLICATION OF IFRS (SIC 8 AND IFRS 1)

Ref.	Presentation/Disclosure Requirement	Source
	<p>Notes:</p> <ol style="list-style-type: none"> <li>1. <i>IFRS 1, First-time Adoption of International Financial Reporting Standards, sets out the procedures that an entity must follow when it adopts IFRS for the first time as the basis for preparing its general purpose financial statements. IFRS 1 is effective for periods beginning on or after 1 January 2004. Earlier application is encouraged.</i></li> <li>2. <i>Prior to the adoption of IFRS 1, an entity should apply SIC 8, First Time Application of IASs as the Primary Basis of Accounting, in the period when IFRS are applied in full for the first time as the primary accounting basis.</i></li> <li>3. <i>Like SIC 8, IFRS 1 requires retrospective application in most areas. Unlike SIC 8, IFRS 1:</i> <ol style="list-style-type: none"> <li>a) <i>includes targeted exemptions to avoid costs that would be likely to exceed the benefits to users of financial statements, and a small number of other exceptions for practical reasons;</i></li> <li>b) <i>clarifies that an entity applies the latest version of IFRS;</i></li> <li>c) <i>clarifies how a first-time adopter's estimates under IFRS relate to the estimates it made for the same date under previous GAAP;</i></li> <li>d) <i>specifies that the transitional provisions in other IFRS do not apply to a first-time adopter; and</i></li> <li>e) <i>requires enhanced disclosure about the transition to IFRS.</i></li> </ol> </li> <li>4. <i>The specific requirements of SIC 8 are set out in item 14001. The requirements under IFRS 1 are set out in items 14002 to 14012.</i></li> </ol> <p><b>REQUIREMENTS UNDER SIC 8</b></p> <p><i>Note: Under SIC 8, in the period when IFRS are applied in full for the first time as the primary accounting basis, the financial statements of an enterprise should be prepared and presented as if the financial statements had always been prepared in accordance with the Standards and Interpretations effective for the period of first-time application. Therefore, the Standards and Interpretations effective for the period of first-time application should be applied retrospectively, except when:</i></p> <ol style="list-style-type: none"> <li>a) <i>individual Standards or Interpretations require or permit a different transitional treatment; or</i></li> <li>b) <i>the amount of the adjustment relating to prior periods cannot be reasonably determined.</i></li> </ol> <p><i>Comparative information should be prepared and presented in accordance with IFRS.</i></p> <p><i>Any adjustment resulting from the transition to IFRS should be treated as an adjustment to the opening balance of retained earnings of the earliest period presented in accordance with IFRS.</i></p>	

Ref.	Presentation/Disclosure Requirement	Source
	<p><i>When IFRS are applied in full for the first time as the primary accounting basis, an enterprise should apply the transitional provisions of the effective Standards and Interpretations only for periods ending on the dates prescribed in the respective Standards and Interpretations. [SIC 8]</i></p>	
14001	<p>In the period when IFRS are applied in full for the first time as the primary accounting basis, the enterprise should disclose:</p> <ul style="list-style-type: none"> <li>a) where the amount of the adjustment to the opening balance of retained earnings cannot be reasonably determined, that fact;</li> <li>b) where it is impracticable to provide comparative information, that fact; and</li> <li>c) for each IFRS that permits a choice of transitional accounting policies, the policy selected.</li> </ul> <p><i>Note: Enterprises are also encouraged to disclose the fact that IFRS are being applied in full for the first time.</i></p> <p><b>REQUIREMENTS UNDER IFRS 1</b></p> <p><i>Notes:</i></p> <ol style="list-style-type: none"> <li>1. An entity should apply IFRS 1 in: <ul style="list-style-type: none"> <li>a) its first IFRS financial statements; and</li> <li>b) each interim financial report, if any, that it presents under IAS 34, <i>Interim Financial Reporting</i> for part of the period covered by its first IFRS financial statements.</li> </ul> </li> <li>2. An entity's first IFRS financial statements are the first annual financial statements in which the entity adopts IFRS, by an explicit and unreserved statement in those financial statements of compliance with IFRS.</li> <li>3. An entity should use the accounting policies that comply with each IFRS/IAS effective at the reporting date for its first IFRS financial statements, except as specified in IFRS 1, paragraph 13 to 34. The transitional provisions in other IFRS/IAS do not apply to a first-time adopter's transition to IFRS, except as specified in IFRS 1, paragraph 27 to 30.</li> <li>4. However, an entity may apply a new IFRS that is not yet mandatory if that IFRS permits early application.</li> <li>5. IFRS 1 does not provide exemptions from the presentation and disclosure requirements in other IFRS/IAS.</li> </ol> <p><b>Opening IFRS Balance Sheet</b></p>	<p>SIC 8.7</p> <p>SIC 8.8</p> <p>IFRS 1.2</p> <p>IFRS 1.3</p> <p>IFRS 1.79</p> <p>IFRS 1.8</p> <p>IFRS 1.35</p>
14002	<p>An entity shall prepare an opening IFRS balance sheet at the date of transition to IFRS. An entity need not present its opening IFRS balance sheet in its first IFRS financial statements.</p> <p><i>Note: The date of transition to IFRS is the beginning of the earliest period for which an entity presents full comparative information under IFRS in its first IFRS financial statements.</i></p>	IFRS 1.6

Ref.	Presentation/Disclosure Requirement	Source
	<b><i>Reclassification</i></b>	
14003	An entity should reclassify items that it recognised under previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity under IFRS.	IFRS 1.10(c)
	<b><i>Comparative Information</i></b>	
14004	The entity's first IFRS financial statements should include at least one year of comparative information.	IFRS 1.36
14005	If the financial statements contain historical summaries or comparative information under previous GAAP, the entity should: <ul style="list-style-type: none"> <li>a) label the previous GAAP information prominently as not being prepared under IFRS; and</li> <li>b) disclose the nature of the main adjustments that would make it comply with IFRS. An entity need not quantify those adjustments.</li> </ul> <p><i>Note: If an entity wishes to disclose selected financial information for periods before the date of the opening IFRS balance sheet, that information is not required to comply with the recognition and measurement requirements of IFRS.</i></p>	IFRS 1.37
	<b><i>Explanation of transition to IFRS</i></b>	
14006	The entity shall explain how the transition from previous GAAP to IFRS affected its reported financial position, financial performance and cash flow.	IFRS 1.38
	<b><i>Reconciliations</i></b>	
14007	The entity's first IFRS statements shall include: <ul style="list-style-type: none"> <li>a) reconciliations of its equity reported under previous GAAP to its equity under IFRS for both of the following dates: <ul style="list-style-type: none"> <li>i) the date of transition to IFRS; and</li> <li>ii) the end of the latest period presented in the entity's most recent annual financial statements under previous GAAP;</li> </ul> </li> <li>b) 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 IFRS for the same period; and</li> <li>c) if the entity recognised or reversed any impairment losses for the first time in preparing its opening IFRS balance sheet, the disclosures that IAS 36 <i>Impairment of Assets</i> would have required (see items 8098 and 8099 of this checklist) if the entity had recognised those impairment losses or reversals in the period beginning with the date of transition to IFRS.</li> </ul>	IFRS 1.39
14008	The reconciliations required by items 14007(a) and (b) above shall give sufficient detail to enable users to understand the material adjustments to the balance sheet, income statement and cash flow statement.	IFRS 1.40
14009	If the entity has become aware of errors made under previous GAAP, the reconciliations required by items 14007(a) and (b) shall distinguish the correction of those errors from changes in accounting policies.	IFRS 1.41

149