

# IFRS AT A GLANCE

*IAS 34 Interim Financial Reporting*





# IAS 34 Interim Financial Reporting

Also refer:  
IFRIC 10 *Interim Financial Reporting and Impairment*

Effective Date  
Periods beginning on or after 1 January 1999

<ul style="list-style-type: none"> <li>• Applies to entities required by legislation or other pronouncements or that elect to publish interim financial reports</li> <li>• IAS 34 does not apply where interim financial statements included in a prospectus</li> <li>• Standard does not mandate which entities should produce interim financial reports.</li> </ul>	<ul style="list-style-type: none"> <li>• If complete set is published in the interim report, full compliance with IFRS is required</li> <li>• If condensed set is published the interim report is required to include at a minimum:             <ul style="list-style-type: none"> <li>– A condensed statement of financial position</li> <li>– A condensed statement of comprehensive income (using either the one or two statement approach - see IAS 1)</li> <li>– A condensed statement of changes in equity</li> <li>– A condensed statement of cash flows</li> <li>– Selected explanatory notes (guidance is given in IAS 34.15 - 16A).</li> </ul> </li> <li>• The condensed statements are required to include at least:             <ul style="list-style-type: none"> <li>– Headings and subtotals included in most recent annual financial statements</li> <li>– Selected minimum explanatory notes - explaining events and transactions significant to an understanding of the changes in financial position/performance since last annual reporting date</li> <li>– Selected line items or notes if their omission would make the condensed financial statements misleading</li> <li>– Basic and diluted earnings per share (if applicable) on the face of statement of comprehensive income.</li> </ul> </li> </ul>
---	--

DEFINITIONS
<ul style="list-style-type: none"> <li>• Interim period - financial period shorter than full year</li> <li>• Interim financial report - either a complete (as described in IAS 1) or condensed set of financial statements.</li> </ul>

## RECOGNITION AND MEASUREMENT

<th style="background-color: #00A0C0; color: white;">ACCOUNTING POLICIES</th> <td style="width: 25%; vertical-align: top;"> <th style="background-color: #00A0C0; color: white;">USE OF ESTIMATES</th> <td style="width: 25%; vertical-align: top;"> <th style="background-color: #00A0C0; color: white;">COSTS INCURRED UNEVENLY</th> <td style="width: 25%; vertical-align: top;"> <th style="background-color: #00A0C0; color: white;">SEASONAL, CYCLICAL OR OCCASIONAL REVENUE</th> </td></td></td>	ACCOUNTING POLICIES	<th style="background-color: #00A0C0; color: white;">USE OF ESTIMATES</th> <td style="width: 25%; vertical-align: top;"> <th style="background-color: #00A0C0; color: white;">COSTS INCURRED UNEVENLY</th> <td style="width: 25%; vertical-align: top;"> <th style="background-color: #00A0C0; color: white;">SEASONAL, CYCLICAL OR OCCASIONAL REVENUE</th> </td></td>	USE OF ESTIMATES	<th style="background-color: #00A0C0; color: white;">COSTS INCURRED UNEVENLY</th> <td style="width: 25%; vertical-align: top;"> <th style="background-color: #00A0C0; color: white;">SEASONAL, CYCLICAL OR OCCASIONAL REVENUE</th> </td>	COSTS INCURRED UNEVENLY	<th style="background-color: #00A0C0; color: white;">SEASONAL, CYCLICAL OR OCCASIONAL REVENUE</th>	SEASONAL, CYCLICAL OR OCCASIONAL REVENUE
<ul style="list-style-type: none"> <li>• Principles for recognising assets, liabilities, income and expenses are same as in the most recent annual financial statements, unless:             <ul style="list-style-type: none"> <li>– There is a change in an accounting policy that is to be reflected in the next annual financial statements.</li> </ul> </li> <li>• Tax recognised based on weighted average annual income tax rate expected for the full year</li> <li>• Tax rate changes during the year are adjusted in the subsequent interim period during the year.</li> </ul>	<p>Interim reports require a greater use of estimates than annual reports.</p>	<p>Anticipated or deferred only if it would be possible to defer or anticipate at year end.</p>	<ul style="list-style-type: none"> <li>• Revenue received during the year should not be anticipated or deferred where anticipation would not be appropriate at year end</li> <li>• Recognised as it occurs.</li> </ul>				
	<th style="background-color: #00A0C0; color: white;">OTHER</th> <td style="text-align: center;"> <th style="background-color: #00A0C0; color: white;">COMPLIANCE WITH IAS 34</th> <td></td> </td>	OTHER	<th style="background-color: #00A0C0; color: white;">COMPLIANCE WITH IAS 34</th> <td></td>	COMPLIANCE WITH IAS 34			
	<ul style="list-style-type: none"> <li>• For highly seasonal entities, consider reporting additional information for 12 months</li> <li>• Changes in accounting policies accounted as normal in terms of IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i></li> <li>• See appendix B for examples.</li> </ul>	<ul style="list-style-type: none"> <li>• Disclose the fact that the interim financial statements comply with IAS 34.</li> </ul>					

IMPAIRMENT
<p>Guidance on impairment is given in IFRIC 10 <i>Interim Financial Reporting and Impairment</i>.</p>

PERIODS TO BE PRESENTED
<ul style="list-style-type: none"> <li>• Statement of financial position as at the end of the current interim period (e.g. 30 Sept. 20X2) and as of the end of the immediate preceding financial year (e.g. 31 December 20X1)</li> <li>• Statements of comprehensive income for the current interim period (e.g. July - Sept. 20X2) and cumulatively for the current financial year (Jan. - Sept. 20X2) (which will be the same for half year ends), with comparatives for the interim period of the preceding financial year (Jan. - Sept. 20X1)</li> <li>• Statements of changes in equity for the current financial year to date, with comparatives for the year to date of the immediately preceding financial year</li> <li>• Statements of cash flows for the current financial year to date, with comparatives for the year to date of the immediately preceding financial year.</li> </ul>

For further information about how BDO can assist you and your organisation, please get in touch with one of our key contacts listed below. Alternatively, please visit <http://www.bdointernational.com/Services/Audit/Pages/default.aspx> where you can find full lists of regional and country contacts.

#### Europe

Caroline Allouët	France	caroline.allouet@bdo.fr
Jens Freiberg	Germany	jens.freiberg@bdo.de
Teresa Morahan	Ireland	tmorahan@bdo.ie
Ehud Greenberg	Israel	ehudg@bdo.co.il
Ruud Vergoossen	Netherlands	ruud.vergoossen@bdo.nl
Reidar Jensen	Norway	reidar.jensen@bdo.no
María Sukonkina	Russia	m.sukonkina@bdo.ru
René Krügel	Switzerland	rene.kruegel@bdo.ch
Brian Creighton	United Kingdom	brian.creighton@bdo.co.uk

#### Asia Pacific

Wayne Basford	Australia	wayne.basford@bdo.com.au
Zheng Xian Hong	China	zheng.xianhong@bdo.com.cn
Fanny Hsiang	Hong Kong	fannyhsiang@bdo.com.hk
Khoon Yeow Tan	Malaysia	tanky@bdo.my

#### Latin America

Marcelo Canetti	Argentina	mcanetti@bdoargentina.com
Luis Pierrend	Peru	lpierrend@bdo.com.pe
Ernesto Bartesaghi	Uruguay	ebartesaghi@bdo.com.uy

#### North America & Caribbean

Armand Capisciolto	Canada	acapisciolto@bdo.ca
Wendy Hambleton	USA	whambleton@bdo.com

#### Middle East

Arshad Gadit	Bahrain	arshad.gadit@bdo.bh
Antoine Gholam	Lebanon	agholam@bdo-lb.com

#### Sub Saharan Africa

Nigel Griffith	South Africa	ngriffith@bdo.co.za
----------------	--------------	---------------------

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact your respective BDO member firm to discuss these matters in the context of your particular circumstances. Neither BDO IFR Advisory Limited, Brussels Worldwide Services BVBA, BDO International Limited and/or BDO member firms, nor their respective partners, employees and/or agents accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

Service provision within the international BDO network of independent member firms ('the BDO network') in connection with IFRS (comprising International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the IFRS Interpretations Committee and the former Standing Interpretations Committee), and other documents, as issued by the International Accounting Standards Board, is provided by BDO IFR Advisory Limited, a UK registered company limited by guarantee. Service provision within the BDO network is coordinated by Brussels Worldwide Services BVBA, a limited liability company incorporated in Belgium with its statutory seat in Brussels.

Each of BDO International Limited (the governing entity of the BDO network), Brussels Worldwide Services BVBA, BDO IFR Advisory Limited and the member firms is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BVBA, BDO IFR Advisory Limited and/or the member firms of the BDO network.

BDO is the brand name for the BDO network and for each of the BDO member firms.

© 2015 BDO IFR Advisory Limited, a UK registered company limited by guarantee. All rights reserved.

[www.bdointernational.com](http://www.bdointernational.com)