International Accounting Standard 34

Interim Financial Reporting

This version includes amendments resulting from IFRSs issued up to 31 December 2008.

IAS 34 *Interim Financial Reporting* was issued by the International Accounting Standards Committee in February 1998. A limited amendment was made in 2000.

In April 2001 the International Accounting Standards Board resolved that all Standards and Interpretations issued under previous Constitutions continued to be applicable unless and until they were amended or withdrawn.

Since then, IAS 34 has been amended by the following IFRSs:

- IAS 1 *Presentation of Financial Statements* (as revised in December 2003)
- IAS 2 *Inventories* (as revised in December 2003)
- IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (issued December 2003)
- IAS 16 *Property, Plant and Equipment* (as revised in December 2003)
- IAS 21 *The Effects of Changes in Foreign Exchange Rates* (as revised in December 2003)
- IFRS 3 *Business Combinations* (issued March 2004)
- IFRS 8 *Operating Segments* (issued November 2006)*
- IAS 1 *Presentation of Financial Statements* (as revised in September 2007)*
- IFRS 3 *Business Combinations* (as revised in January 2008)†
- *Improvements to IFRSs* (issued May 2008).*

The following Interpretation refers to IAS 34:

- IFRIC 10 *Interim Financial Reporting and Impairment* (issued July 2006).

* effective date 1 January 2009

† effective date 1 July 2009

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International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) is set out in paragraphs 1–48. All the paragraphs have equal authority but retain the IASC format of the Standard when it was adopted by the IASB. IAS 34 should be read in the context of its objective, the *Preface to International Financial Reporting Standards* and the *Framework for the Preparation and Presentation of Financial Statements*. IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

Introduction

IN1 This Standard (IAS 34) addresses interim financial reporting, a matter not covered in a prior Standard. IAS 34 is effective for accounting periods beginning on or after 1 January 1999.

IN2 An interim financial report is a financial report that contains either a complete or condensed set of financial statements for a period shorter than an entity's full financial year.

IN3 This Standard does not mandate which entities should publish interim financial reports, how frequently, or how soon after the end of an interim period. In IASC's judgement, those matters should be decided by national governments, securities regulators, stock exchanges, and accountancy bodies. This Standard applies if a company is required or elects to publish an interim financial report in accordance with Standards.

IN4 This Standard:

(a) defines the minimum content of an interim financial report, including disclosures; and

(b) identifies the accounting recognition and measurement principles that should be applied in an interim financial report.

IN5 The minimum content of an interim financial report is a condensed statement of financial position, a condensed statement of comprehensive income, a condensed statement of cash flows, a condensed statement of changes in equity, and selected explanatory notes. If an entity presents the components of profit or loss in a separate income statement as described in paragraph 81 of IAS 1 *Presentation of Financial Statements* (as revised in 2007), it presents interim condensed information from that separate statement.

IN6 On the presumption that anyone who reads an entity's interim report will also have access to its most recent annual report, virtually none of the notes to the annual financial statements are repeated or updated in the interim report. Instead, the interim notes include primarily an explanation of the events and changes that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period.

IN7 An entity should apply the same accounting policies in its interim financial report as are applied in its annual financial statements, except for accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements. The frequency of an entity's reporting—annual, half-yearly, or quarterly—should not affect the measurement of its annual results. To achieve that objective, measurements for interim reporting purposes are made on a year-to-date basis.

IN8 An appendix to this Standard provides guidance for applying the basic recognition and measurement principles at interim dates to various types of asset, liability, income, and expense. Income tax expense for an interim period is based on an estimated average annual effective income tax rate, consistent with the annual assessment of taxes.

IN9 In deciding how to recognise, classify, or disclose an item for interim financial reporting purposes, materiality is to be assessed in relation to the interim period financial data, not forecast annual data.

International Accounting Standard 34
Interim Financial Reporting

Objective

The objective of this Standard is to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period. Timely and reliable interim financial reporting improves the ability of investors, creditors, and others to understand an entity's capacity to generate earnings and cash flows and its financial condition and liquidity.

Scope

1 This Standard does not mandate which entities should be required to publish interim financial reports, how frequently, or how soon after the end of an interim period. However, governments, securities regulators, stock exchanges, and accountancy bodies often require entities whose debt or equity securities are publicly traded to publish interim financial reports. This Standard applies if an entity is required or elects to publish an interim financial report in accordance with International Financial Reporting Standards (IFRSs). The International Accounting Standards Committee* encourages publicly traded entities to provide interim financial reports that conform to the recognition, measurement, and disclosure principles set out in this Standard. Specifically, publicly traded entities are encouraged:

(a) to provide interim financial reports at least as of the end of the first half of their financial year; and

(b) to make their interim financial reports available not later than 60 days after the end of the interim period.

2 Each financial report, annual or interim, is evaluated on its own for conformity to IFRSs. The fact that an entity may not have provided interim financial reports during a particular financial year or may have provided interim financial reports that do not comply with this Standard does not prevent the entity's annual financial statements from conforming to IFRSs if they otherwise do so.

3 If an entity's interim financial report is described as complying with IFRSs, it must comply with all of the requirements of this Standard. Paragraph 19 requires certain disclosures in that regard.

* The International Accounting Standards Committee was succeeded by the International Accounting Standards Board, which began operations in 2001.

Definitions

4 **The following terms are used in this Standard with the meanings specified:**

Interim period **is a financial reporting period shorter than a full financial year.**

Interim financial report **means a financial report containing either a complete set of financial statements (as described in IAS 1** *Presentation of Financial Statements* **(as revised in 2007)) or a set of condensed financial statements (as described in this Standard) for an interim period.**

Content of an interim financial report

5 IAS 1 (as revised in 2007) defines a complete set of financial statements as including the following components:

(a) a statement of financial position as at the end of the period;

(b) a statement of comprehensive income for the period;

(c) a statement of changes in equity for the period;

(d) a statement of cash flows for the period;

(e) notes, comprising a summary of significant accounting policies and other explanatory information; and

(f) a statement of financial position as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

6 In the interest of timeliness and cost considerations and to avoid repetition of information previously reported, an entity may be required to or may elect to provide less information at interim dates as compared with its annual financial statements. This Standard defines the minimum content of an interim financial report as including condensed financial statements and selected explanatory notes. The interim financial report is intended to provide an update on the latest complete set of annual financial statements. Accordingly, it focuses on new activities, events, and circumstances and does not duplicate information previously reported.

7 Nothing in this Standard is intended to prohibit or discourage an entity from publishing a complete set of financial statements (as described in IAS 1) in its interim financial report, rather than condensed financial statements and selected explanatory notes. Nor does this Standard prohibit or discourage an entity from including in condensed interim financial statements more than the minimum line items or selected explanatory notes as set out in this Standard. The recognition and measurement guidance in this Standard applies also to complete financial statements for an interim period, and such statements would include all of the disclosures required by this Standard (particularly the selected note disclosures in paragraph 16) as well as those required by other IFRSs.