

IAS 34: Interim Financial Reports

Excerpt, IFRS Discussion Group Report on Meeting – March 31, 2011

IAS 34 Interim Financial Reporting and pre-changeover Canadian GAAP are largely harmonized. However, there are some differences in how the guidance addresses certain recognition and measurement issues. The issue for consideration is to determine what factors Canadian public companies should consider when preparing interim financial statements under IAS 34 for interim periods starting in 2011, along with a restatement of prior year interim periods.

Members discussed some differences in how the guidance in IAS 34 differs from pre-changeover Canadian GAAP, including how to measure defined benefit plans, account for inventory variances and recognize a previously unrecognized income tax asset. The Group asked staff to investigate whether the IASB staff has considered the need to revise the illustrative example in IAS 34 of how to apply the general recognition and measurement principles for pension costs to an interim period with the release of the forthcoming revised standard IAS 19 Employee Benefits. The Group decided that no further action is necessary because the differences discussed are specific to the Canadian transition to IFRSs.