Primary Financial Statements

IASB/JIAR Research Forum 2019
Objective of this session

To introduce the proposals in the forthcoming ED:

- providing an overview of the project
- explaining the project next steps
- providing an opportunity for Q&A
- providing an opportunity to discuss the proposals in breakout groups
Introduction
"The main priority for the Board over the next period is to address performance reporting"
Corporate Reporting Users’ Forum, January 2016

“We regard this as a priority and urge the Board to place it on the near term standards-level agenda”
CFA Institute, February 2016

“This project stood out as one of the most important topics for investors”
Paper 21, IASB meeting, April 2016
Project timeline

**Project history**

- 2015 Agenda Consultation identified project as a priority
- Board discussions to develop Exposure Draft (H2 2016–2019)

**Upcoming consultation**

- Publish Exposure Draft at end of 2019
- Comment period until 30 June 2020 (expected)

**After consultation**

- Board redeliberations from H2 2020 onwards
- Issue final Standard
Overview of the key proposals in the ED
<table>
<thead>
<tr>
<th>Key proposals</th>
<th>Key benefits expected</th>
<th>Slide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduce defined subtotals and categories in the statement of profit or loss</td>
<td>Provide additional relevant information and a structure that is more comparable between entities</td>
<td>8–20</td>
</tr>
<tr>
<td>Introduce principles and guidance for aggregation and disaggregation</td>
<td>Provide additional relevant information; Avoid obscuring material information</td>
<td>21–22</td>
</tr>
<tr>
<td>Amend requirements for analysis of operating expenses</td>
<td>Provide additional relevant information</td>
<td>23–24</td>
</tr>
<tr>
<td>Introduce disclosures on unusual items</td>
<td>Provide additional relevant information, in a single location</td>
<td>25–27</td>
</tr>
<tr>
<td>Introduce disclosures on Management Performance Measures (MPMs)</td>
<td>Provide transparency &amp; discipline in use of such measures, in a single location</td>
<td>28–35</td>
</tr>
<tr>
<td>Introduce targeted improvements to the statement of cash flows</td>
<td>Improve comparability between entities</td>
<td>Appendix</td>
</tr>
</tbody>
</table>
## Introducing required and defined subtotals*

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>16,500</td>
</tr>
<tr>
<td>Changes in inventories of finished goods and work in progress</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Raw material and consumables used</td>
<td>(6,000)</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>(4,000)</td>
</tr>
<tr>
<td>Amortisation expense</td>
<td>(800)</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(1,200)</td>
</tr>
<tr>
<td>Impairment of property, plant and equipment</td>
<td>(500)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td><strong>3,000</strong></td>
</tr>
<tr>
<td>Share of profit of integral JVs and associates</td>
<td>500</td>
</tr>
<tr>
<td><strong>Operating profit and share of profit or loss of integral associates and JVs</strong></td>
<td><strong>3,500</strong></td>
</tr>
<tr>
<td>Changes in the fair value of financial assets</td>
<td>250</td>
</tr>
<tr>
<td>Dividend income</td>
<td>50</td>
</tr>
<tr>
<td>Share of profit of non-integral JVs and associates</td>
<td>100</td>
</tr>
<tr>
<td><strong>Profit before financing and income tax</strong></td>
<td><strong>3,900</strong></td>
</tr>
<tr>
<td>Interest income from cash and cash equivalents</td>
<td>100</td>
</tr>
<tr>
<td>Expenses from financing activities</td>
<td>(1000)</td>
</tr>
<tr>
<td>Unwinding of discount on pension liabilities and provisions</td>
<td>(100)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td><strong>2,900</strong></td>
</tr>
</tbody>
</table>

*Proposal for general corporates
Board’s reasons for introducing subtotals

• the structure and content of the statement(s) of financial performance varies even among entities in the same industry.
• this reduces the ability of users of financial statements to compare the financial performance of entities.
• many users said that they would welcome more defined subtotals and line items in the statement(s) of financial performance.
• the Board’s proposed subtotals would provide relevant information and create a more consistent structure to the statement(s) of financial performance, thereby improving comparability.
Many users use operating profit in their analysis; for assessing margins and for forecasting future cash flows.

Many companies present operating profit (and variants) as a subtotal, however it is calculated inconsistently across companies.

<table>
<thead>
<tr>
<th>Company X</th>
<th>Company Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Revenue</td>
</tr>
<tr>
<td>Net interest on defined benefit liabilities</td>
<td>Share of profit of associates and JVs</td>
</tr>
<tr>
<td>Income from investments in financial assets</td>
<td></td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td><strong>Operating profit</strong></td>
</tr>
<tr>
<td>Share of profit of associates and JVs</td>
<td>Income from investments in financial assets</td>
</tr>
<tr>
<td></td>
<td>Net interest on defined benefit liabilities</td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td><strong>Profit</strong></td>
</tr>
</tbody>
</table>
Operating profit—proposed approach

Operating profit = profit from continuing operations before tax and before...

- **Investing** (defined by the Board)
- **Financing** (defined by the Board)
- **Share of profit of integral associates and joint ventures**

- Though defined as a *residual*, the Board expects operating profit to capture income and expense from the entity’s main business activities.
- Whether an item is ‘unusual’ does not affect whether it is included in operating profit.
- Associates and JVs are below operating profit, so financing or tax income and expenses from such entities are not included in operating profit and do not distort margin calculations.
<table>
<thead>
<tr>
<th>Objective</th>
<th>Investing</th>
<th>Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communicate returns from investments that are generated individually and largely independently of other resources held by an entity</td>
<td></td>
<td>Communicate income and expenses from assets and liabilities related to an entity’s financing</td>
</tr>
</tbody>
</table>

| Includes items such as: | | |
|------------------------| | |
| • income and expenses from financial assets, other than cash and cash equivalents | • income and expenses from cash and cash equivalents | |
| • the share of profit or loss of non-integral associates and joint ventures | • income and expenses on liabilities arising from financing activities | |
| • income and expenses on investment property | • unwinding of discount on pensions and provisions | |
Board’s reasons for introducing an investing category

• The **objective** is to identify returns from **investments** that are **not part of the entity’s main business activities**.
  – For example, equity or debt investments typically generate dividend or interest returns individually and largely independently of the other assets of the entity.

• Useful for **users** who often **analyse** returns from an entity’s investments separately from the entity’s operations.

• The investing category in the statement of profit or loss is **different from investing activities as defined in IAS 7**:
  – the objective of the IAS 7 category is to identify investments made in long-term assets that will generate future returns. It could include investments in operating assets, such as property, plant and equipment. Income and expenses related to such assets would be included in the operating section of the statement of profit or loss.
  – Board’s proposals focus on objective of meeting needs of users with respect to that statement of profit or loss not on aligning classifications across the primary financial statements.
Board’s reasons for introducing the financing category and the profit before financing subtotal

- Many users of financial statements seek to analyse the financial performance of an entity independently of how that entity is financed.

- The Board’s proposed financing category and ‘profit or loss before financing and income tax’ subtotal are intended to facilitate such analysis.

- A clear definition of financing activities is expected to result in more transparency about classification of items included in the financing category.
  - expansion and clarification of the definition of financing activities in IAS 7.

- The definition includes items that are commonly regarded by users of financial statements as part of an entity’s financing.

- Separate presentation of items included in the financing category enables users to adjust the amounts included in the subtotal to reflect their views.
Board’s reasons for including cash and cash equivalents in the financing category

• Users of financial statements typically treat excess cash and temporary investment of excess cash as part of financing of the entity.  
  – how an entity manages excess cash is interrelated with its decisions about debt and equity financing.

• The Board proposes to include income (expenses) from cash and cash equivalents in the financing category because:
  – cash and cash equivalents represent a reasonable proxy for excess cash and the temporary investments of excess cash for many entities.
  – cash and cash equivalents are defined in IAS 7. Using existing definitions that are well understood helps to ensure that the requirement is applied consistently and that the amounts included in the financing category are comparable.
Board’s reasons for including interest not arising from financing activities in the financing category

• Interest on liabilities that do not arise from financing activities included in the financing category:
  – eg unwinding of a discount on defined benefit pension liabilities and decommissioning liabilities

• Many users of financial statements consider such income and expenses to be similar to income or expenses from financing activities.
  – not all users of financial statements consider such income or expenses to be similar to income or expenses from financing activities. However, a consistent basis for the presentation of information related to financing and the related disclosures should enable users to adjust the profit or loss before financing and income tax subtotal if they wish to do so.
Board’s reasons for not defining or requiring EBIT

• Earnings before interest and tax (EBIT) is commonly used to compare the financial performance of entities that are financed differently.
  – However, EBIT and similar subtotals are not comparable because of diversity in classification of items between finance income and expenses and other income and expenses.
  – Many calculations of EBIT also include some items of interest income or expense, which is incompatible with describing EBIT as a subtotal before interest.

• The profit or loss before financing and income tax subtotal serves a similar purpose to an EBIT subtotal:
  – it allows users of financial statements to compare entities independently of how they are financed.
  – not described as EBIT because such a description would imply that all interest is excluded from the subtotal, and that the subtotal only excludes interest and tax and nothing else. But:
    • most interest income will be included in the investing section; and
    • profit or loss before financing also excludes expenses from financing activities other than interest, for example exchange rate differences or transaction costs.
**Presentation of associates and joint ventures**

Preparer A: My associates and JVs are a part of my main business, so I want to include my share of their results in my key performance measures.

User B: The share of associates’ and joint ventures’ profit is after financing and after tax so I want to analyse them separately.

<table>
<thead>
<tr>
<th>Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separately present ‘integral’ and ‘non-integral’ associates and joint ventures in statements of financial performance and cash flows.</td>
</tr>
<tr>
<td>Use definition of income/expenses from investments to classify as ‘integral’ or ‘non-integral’: generate returns largely independently of other resources.</td>
</tr>
<tr>
<td>Definition supplemented with indicators for determining whether a joint venture or associate is ‘integral’ or ‘non-integral’.</td>
</tr>
</tbody>
</table>
Board’s reasons: associates and joint ventures

• Significant **diversity in practice** in the presentation of this information, reducing comparability and making users’ analysis more difficult
  – some entities present the share of profit or loss as part of operating profit or loss
  – some present it between operating profit or loss and the results of financing activities
  – others present it after the tax line item

• Why not require presentation of share of the profit or loss of associates or joint ventures in a **single location** in the statement of profit or loss—**the investing category**? → stakeholder feedback that:
  • the activities of some associates and joint ventures are closely related to the reporting entity’s main business activities (integral associates and joint ventures).
  • the activities of some associates and joint ventures have little or no effect on the reporting entity’s main business activities (non-integral associates and joint ventures).
Board’s reasons: associates and joint venture

• Why not include the share of profit or loss of integral associates and joint ventures in the operating category?
  – Many users of financial statements want separate presentation from the results of an entity’s operating activities because:
    • the equity method of accounting combines income and expenses that users would normally analyse separately, including financing expenses and income taxes.
    • including the share of profit or loss of associates and joint ventures in operating profit or loss would significantly disrupt users’ analyses of operating margins. This is because the revenue line does not include revenue from associates and joint ventures.
    • the entity does not control the activities of associates as it does the other activities included in the operating category and only exercises joint control over the activities of joint ventures.
Aggregation & disaggregation

Guidance on process
- identify assets, liabilities, equity, income and expenses that arise from individual transactions or other events
- classify into groups based on shared characteristics, resulting in line items in the primary financial statements that share at least one characteristic
- separate based on further characteristics, resulting in the separate disclosure of material items in the notes

Guidance on aggregations of dissimilar items
- using a non-descriptive label such as ‘other’ would not faithfully represent those items without additional information;
- consider whether such items can be disaggregated;
- consider whether such items may be described in a way that faithfully represents the dissimilar items; or
- provide information in the notes about the composition of the aggregation.
Board’s reasons: aggregation and disaggregation

• Feedback from users in the 2015 Agenda Consultation that financial statements could be improved by requiring more appropriate levels of aggregation or disaggregation.
  – For example, an entity might present all its operating expenses as a single line item or disclose large ‘other’ expenses with no information provided to help users understand what these line items comprise.
  – Some users were concerned that other entities disclose too much detail, obscuring material information.

• The principles are derived from the descriptions of classification and aggregation in the Conceptual Framework which emphasise the existence of shared characteristics as a condition for classifying and aggregating items.
  – Aggregating items that have shared characteristics makes large volumes of information understandable and avoids obscuring relevant information.
  – Disaggregating items with dissimilar characteristics provides users of financial statements with relevant information and avoids obscuring material information.
## Analysis of operating expenses

<table>
<thead>
<tr>
<th>Statement of profit or loss</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present analysis by nature or by function, whichever provides the most useful information</td>
<td>Disclose analysis by nature, if statement of profit or loss presents analysis by function</td>
</tr>
</tbody>
</table>

- **Not a free choice**—the Board proposes to provide a set of factors for entities to consider when making this assessment
- **Would remove option** to present analysis of expenses in the **notes only**

- **Analysis of total operating expenses**—no requirement to analyse each functional line item by nature
• Both the nature of expense and the function of expense methods of analysis can provide useful information.
  – Information about the nature of expenses allows users of financial statements to analyse the detailed components of an entity’s operating expenses enabling them to forecast those expenses for future periods.
  – Information that aggregates expenses by function facilitates the calculation of some performance metrics and margins.

• However, users have raised concerns that useful information is lost because entities can choose which method to use and because, in practice, many entities use a mixture of both methods.

• The Board proposes to require the single method that would provide the most useful information to users. To help entities assess which method is most useful in their circumstances, the Board proposes to provide a set of factors for entities to consider when making this assessment.

• The Board proposes to require an entity presenting an analysis of expenses in operating profit or loss using the function of expense method to also disclose in a single note an analysis of its total operating expenses using the nature of expense method.
## Unusual items

### Definition

Unusual income and expenses are those with **limited predictive value**. Income and expenses have limited predictive value when it is **reasonable to expect** that income or expenses that are similar in type and amount will **not arise** for several future annual reporting periods.

Income and expenses from the **recurring remeasurement** of items measured at a current value would **not normally** be classified as **unusual**.

### Disclosures

**Amount & narrative description**

Disaggregated by:

- line items presented in statement of profit or loss; and
- line items disclosed in analysis of operating expenses by nature, if the entity analyses expenses by function in the statement of profit or loss.
Board’s reasons: unusual items

• Feedback on the 2017 Discussion paper *Disclosure initiative—Principles of Disclosure*:
  – many users want requirements for the disclosure of unusual income or expenses because:
    • the separate presentation or disclosure of unusual or infrequent income or expenses provides information that is *useful in making forecasts* about future cash flows; and
    • definitions and requirements developed by the Board could make such income or expenses *more transparent and comparable across entities* and could reduce entities’ opportunistic classification of expenses as unusual.
  – many respondents that are not users said that the Board should not develop definitions for ‘unusual’ or ‘infrequent’ income or expenses because those items vary across entities and industries and their identification involves *significant judgement*. 
Board’s reasons: unusual items

• Defining unusual items as income or expenses with **limited predictive value**:
  – addresses the need of users of financial statements for information about items that are unlikely to persist and hence have limited predictive value.
  – helps preparers of financial statements identify unusual items by providing them with a concept that underpins the need to identify unusual items.
Management performance measures (MPMs)

Disclosure in the notes of subtotals of income and expenses that:

- Are used in public communications with users of financial statements, **outside** financial statements
- **Complement** totals or subtotals included in IFRS Standards
- Communicate **management’s view** of an aspect of an entity’s financial performance

Accompanied by disclosures in a **single note** to enhance **transparency**, including a **reconciliation** to a measure included in IFRS Standards—see later slide
Management-defined performance measures—what is the issue?

• Many entities disclose management-defined performance measures outside the financial statements
  – users find such information useful because it provides insight into:
    • how management views the entity’s financial performance;
    • how a business is managed; and
    • the persistence or sustainability of an entity’s financial performance.
  – but they express concerns about the quality of disclosures provided about these measures—in some cases, the disclosures:
    • lack transparency in how the management performance measures are calculated;
    • lack clarity regarding why these measures provide management’s view of the entity’s performance;
    • create difficulties for users trying to reconcile the measures to the related measures included in IFRS Standards; and
    • are reported inconsistently from period to period.
Board’s reasons: management-defined performance measures

• Board concluded that management performance measures can complement measures required by IFRS Standards, providing users of financial statements with useful insight into management’s view of performance and its management of the business.

• Including these measures in the financial statements would ensure they are subject to the same requirements regardless of the entity’s jurisdiction and thus improve the discipline with which they are prepared and improve their transparency.
Board’s reasons for including MPMs in financial statements

• **Concerns about including** management performance measures **in** financial statements:
  – management performance measures may be incomplete or biased;
  – management performance measures may be given undue prominence or legitimacy by including them in financial statements; and
  – some adjustments made in arriving at management performance measures may be difficult to audit—for example, adjustments made when an entity uses a tailor-made accounting policy.

• **But Board noted that** management performance measures:
  – would be subject to the general requirement for information to faithfully represent what it purports to represent);
  – would rarely be presented in the statement of profit or loss; and
  – are similar to segment measures of profit or loss in that they are based on management’s view. Segment measures of performance are included in the financial statements and can be audited.
Board’s reasons: location of management-defined performance measures

• Management performance measures and all related information to be disclosed in a single note. This improves the transparency of those measures by:
  – ensuring that management performance measures and the information needed to understand those measures are provided together
  – making it easy for users of financial statements to identify and locate the information
Board’s reasons: location of management-defined performance measures

- Entities are not prohibited from presenting management performance measures as a subtotal in the statement(s) of financial performance. But unlikely that many management performance measures will meet the requirements—such subtotals must:
  - fit into the structure of the proposed categories
  - not disrupt the presentation of an analysis of expenses in the operating category using either the function of expense or nature of expense method
  - be comprised of amounts recognised and measured applying IFRS Standards

- Entities are prohibited from using columns to present a management performance measure in the statement(s) of financial performance
  - further restricts the circumstances in which such measures may be presented in the statement(s) of financial performance helping to address the concerns of some stakeholders that doing so would give these measures undue prominence
## MPM reconciliation

The MPM is disclosed in a **separate reconciliation** in the **notes**:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (M$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted operating profit (MPM)</td>
<td>4,400</td>
</tr>
<tr>
<td>Restructuring expenses for the closure of Factory A</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Impairment of asset B</td>
<td>(400)</td>
</tr>
<tr>
<td><strong>Operating profit (IFRS-specified)</strong></td>
<td>3,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax</th>
<th>NCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>200</td>
<td>50</td>
</tr>
<tr>
<td>80</td>
<td>-</td>
</tr>
</tbody>
</table>

**Most directly comparable subtotal/total specified by IFRS Standards**—can be:
- any of the subtotals required by para. 81A of IAS 1;
- any of the three subtotals proposed in this project;
- profit before tax, profit from continuing operations or measures similar to gross profit; or
- operating profit before depreciation and amortisation.

Tax effect is based on a **reasonable pro rata allocation** of the current and deferred tax of the entity in the tax jurisdiction concerned; or a more appropriate allocation.
Board’s reasons for requiring a reconciliation

• A reconciliation provides users with information about how the management performance measure is calculated and how the measure compares to similar measures provided by other entities.
  – It also provides users with the information required to make their own adjustments to the management performance measure, should they decide that adjustments are needed

• However, some subtotals so well understood by users of financial statements that a reconciliation is not needed.
  – Gross profit or loss (revenue less cost of sales)
  – operating profit or loss before depreciation and amortisation
  – profit or loss from continuing operations
  – profit or loss before income tax
The Exposure Draft

**New IFRS Standard**

- Proposed **new requirements** on the structure and content of financial statements

**Amendments to other Standards**

- IAS 7—statement of cash flows
- IAS 33—EPS
- IAS 34—interim reporting
- IFRS 12—associates and JVs

**Related requirements brought forward from IAS 1 with limited wording changes**

- Other requirements of IAS 1—moved to IAS 8 and IFRS 7

**Withdraw IAS 1**
## Recap—key proposals and expected benefits

<table>
<thead>
<tr>
<th>Key proposals</th>
<th>Key benefits expected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduce defined subtotals and categories in the statement of profit or loss</td>
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<td>Improve comparability between entities</td>
</tr>
</tbody>
</table>
Instructions for breakout groups

• Choose whichever questions the group is most interested in (slides 39 and 40).
• Do not worry about how many questions you get through.
• Please give reasons why you agree (or disagree) with the question.
• Please refer to practitioner experience and/or relevant academic research in your discussions.
Questions to discuss in breakout groups (1/2)

1. Do you agree that all entities (disregard financial entities) should present subtotals for operating profit or loss, and profit or loss before financing and income tax? (Slides 8-9)

2. Do you agree that operating category should be defined as the residual after excluding defined categories of investing, financing and share of profit of associates and joint ventures? (Slides 10-11)

3. Do you agree with the definitions of the investing and financing categories (Slides 12-16)

4. Do you agree that entities should distinguish between integral and non-integral associates and joint ventures, and include the former separately after operating profit and the latter in investing activities? (Slides 18-20)
Questions to discuss in breakout groups (2/2)

5. Do you agree with the guidance on aggregation and disaggregation? (Slides 21-22)

6. Do you agree with the proposals relating to the analysis of operating expenses? (Slides 23-24)

7. Do you agree with the proposals relating to unusual items? (Slides 25-27)

8. Do you agree with the proposals relating to management performance measures? (Slides 28-35)
## Appendix: Classification of income/expenses for financial entities

<table>
<thead>
<tr>
<th>Income (expenses)</th>
<th>X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (expenses)</td>
<td>X</td>
</tr>
<tr>
<td>Operating profit</td>
<td>X</td>
</tr>
<tr>
<td>Share of profit of integral joint ventures and associates</td>
<td>X</td>
</tr>
<tr>
<td>Operating profit and share of profit or loss of integral associates and joint ventures</td>
<td>X</td>
</tr>
<tr>
<td>Share of profit of non-integral joint ventures and associates</td>
<td>X</td>
</tr>
<tr>
<td>Income (expenses) from investments (eg fair value changes in financial assets)</td>
<td>X</td>
</tr>
<tr>
<td>Profit before financing and income tax</td>
<td>X</td>
</tr>
<tr>
<td>Interest income from cash and cash equivalents</td>
<td>X</td>
</tr>
<tr>
<td>Expenses from financing activities</td>
<td>(X)</td>
</tr>
<tr>
<td>Unwinding of discount on pension liabilities and provisions</td>
<td>(X)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>X</td>
</tr>
</tbody>
</table>

*in assets that generate a return individually and largely independently of other entity resources

**Included in operating profit for entities that invest* in the course of their main business activities.**

To the extent income (expenses) arise from investments made in the course of main business activities.

**Included in operating profit for entities that provide financing to customers as a main business activity.**

Accounting policy choice whether to include all expenses (income) or only those related to the provision of financing to customers.
## Appendix: Statement of cash flows

**Proposals**

- Single starting point for the indirect reconciliation: **Operating profit**
- Removal of classification options for interest and dividends

<table>
<thead>
<tr>
<th>Cash flow item</th>
<th>IAS 7 classification</th>
<th>Proposal for non-financial entities</th>
<th>Proposal for financial entities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest paid</td>
<td>Operating or financing</td>
<td>Financing</td>
<td>Operating or financing*</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>Operating or financing</td>
<td>Financing</td>
<td>Financing</td>
</tr>
<tr>
<td>Interest received</td>
<td>Operating or investing</td>
<td>Investing</td>
<td>Operating, investing or financing*</td>
</tr>
<tr>
<td>Dividends received</td>
<td>Operating or investing</td>
<td>Investing</td>
<td>Operating or investing* (investing for equity-accounted investments)</td>
</tr>
</tbody>
</table>

* Depends on classification of related income/expenses in P&L
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