



Project **Leases**

Topic **Information about total cash rentals paid**

Purpose

1. The purpose of this paper is to clarify how total cash rentals paid in the period would be presented or disclosed in the lessee's financial statements in response to comments from some Board members at the March 2010 joint meeting. They noted the importance of clear visibility about total cash rentals paid.

Background

2. At the March 2010 joint meeting, the boards tentatively decided that both cash repayments of amounts borrowed and cash interest payments arising in lease contracts would be classified as financing activities separately in the lessee's statement of cash flows.

Staff analysis/recommendation

3. The staff think that the total cash paid in the period will equal to the amount of cash repayments of amounts borrowed plus that of cash interest payments classified as financing activities separately in the lessee's statement of cash flows.

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4. Therefore, users of the financial statements would find information about the total cash paid in the period on the face of the statement of cash flows, combining those two items in the financing activities.
5. The boards could decide to require disclosure of the total cash paid on leases in the period in the notes to the financial statements as an aggregate amount to create more visibility.

Question 1

The staff think that information about the total cash paid in the period would be available on the face of the statement of cash flows as two separate items.

Do the boards prefer to require the disclosure of an aggregate amount of the total cash paid in the period?