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Project	**Financial Statement Presentation**
Topic	**Analysis of changes in balances of assets and liabilities**

Introduction

1. The purpose of this paper is to address three implementation issues related to the boards' tentative decision at the October 2009 joint meeting to require an entity to present an analysis of changes in the balances of all significant asset and liability line items in the notes to financial statements (referred to herein as *analysis* or *analyses of changes*). Appendix A includes a draft of how that tentative decision might be incorporated in the exposure draft.

Summary of staff recommendations

2. In this paper, the staff recommend that in the exposure draft:

   (a) an entity should be permitted to present the analyses of changes in the most appropriate place in the notes to financial statements as long as the analysis is accompanied by an adequate narrative and descriptive explanation.

   (b) an entity shall present a comparative analysis of changes in an asset or liability line item in respect of the previous period(s) for all the analysis of changes reported in the current period's financial statements.

   (c) an entity should always disclose the reconciliations of specific items as required elsewhere in IFRSs or US GAAP, notwithstanding the factors outlined in paragraph A4. An entity should consider the components in paragraph A6 when preparing those required reconciliations.

   (d) clarify that an entity should separately distinguish *within* each component any elements of change that are different.

Issue 1: Disclose all together or present in same place as related information?

3. At the October 2009 joint meeting, the boards addressed but did not reach a tentative decision on whether the analysis of changes in the various asset and liability line items should be presented all in the same note or be presented individually, as part of any related note disclosure. The boards also discussed whether an explanation should accompany the analyses of changes.

4. Most board members indicated that they would like a narrative explanation to accompany the analyses of changes. Board members appeared evenly divided on whether the analyses of changes of all significant items should be in one place or dispersed in the notes. One of the reasons for wanting to see the analyses all in one place is that it would be the closest to a balance-sheet-to-balance sheet reconciliation that many analysts expressed interest in. Some of the reasons for not wanting the analyses to all be in one place are that it would be duplicative of other information in the notes to financial statements and that it would be better to present the analyses within the context of other related information elsewhere in the notes (eg the analysis of a change in an asset or liability line item in the same note disclosure as other information about that specific asset or liability).

Staff recommendation

5. The staff agree with board members that the analyses should be accompanied by explanatory text, regardless of where they are presented. The staff think it makes the most sense to present the analyses within the context of related information and not to duplicate information presented in the notes to financial statements. Therefore, the staff recommend that the analyses of changes should not be required to be presented all in the same note. Rather, an entity should be permitted to present the analyses in the most appropriate place in the notes to financial statements as long as the analysis is accompanied by an adequate explanation of the components of the analysis. See paragraph A3 in Appendix A.

Question 1
The staff recommend that an entity should be permitted to present the analyses of changes in the most appropriate place in the notes to financial statements as long as the analysis is accompanied by adequate narrative and descriptive explanation. **Do the boards agree with that recommendation**?

Issue 2: Present analyses of changes for comparable periods?

6. Another open implementation issue is whether an entity should present the analysis of changes for only the current period or for comparable periods as well. The staff asked members of the FASB disclosure framework resource group for input on this issue.

7. Resource group members were asked whether an analysis of changes (a roll-forward) should be provided for the prior period(s) if the asset or liability line item is determined to be significant in the current period but was not deemed significant in the prior period(s). Their responses are presented below.

   (a) Preparer: a roll-forward should be provided for the prior period if the asset or liability item is determined to be significant in the current period. Even though this shouldn't be too costly for companies to produce, there may need to be a transition provision upon initial adoption so that companies have procedures in place to capture this information.

   (b) Preparer: I believe that prior period roll forward information should NOT be required in the current year's statements when the roll forward is significant for the current year. My basis is largely practical. If the prior year information wasn't gathered and prepared at that time, the passage of time and changing personnel in the relevant positions may make it difficult to go back and retroactively compile. If such information is presented there would be an implicit assertion that it is 'significant' when in fact it is not.

   (c) Preparer: We do not believe that an assessment of whether or not an asset or liability line item is significant should be based solely on a discrete review of each asset or liability balance at the end of the reporting period. Instead, we would likely make an overall assessment of key balance sheet line items, based on our business activities/model (for example, loans would be a significant line item to a large commercial bank).

If a circumstance arose where an asset or liability became significant where it previously was not (for instance, due to the expansion into a new product or business area), the assessment of significance would be based on whether the activity would become a key business, and a roll forward would be prepared in the current period and prospectively.

(d) Lawyer: Under certain circumstances, yes. This should be a principles-based determination, and a roll-forward should be provided for the prior comparative periods if an understanding of what transpired and effected the numbers in those prior periods can assist the user in better understanding the significant line item in the current period.

(e) Auditor: The fact that an account transitions from being not significant to significant or vice versa seems to be a development for which information would be appropriate. I support a requirement for analytical information if an account was significant as of the end of any comparative period notwithstanding that it was not significant at then end of all comparative periods. I also support a requirement for the same level of analytical data if there was significant activity in the account during the period notwithstanding the fact that the account balance is not significant at the end of any period.

(f) Auditor: If the line item is not deemed significant in a period, I would think no roll-forward was necessary. If a roll-forward is presented for one period and not the other (current and not prior or prior and not current) this should be explained in a note. Immaterial items need not be disclosed or such disclosure should be optional.

8. Resource group members were asked if a roll-forward should be provided for the prior period if the asset or liability line item is determined to be insignificant in the current period but was deemed significant in the prior period(s). The responses other than “see prior comment” are summarized below.

(a) Preparer: I believe the answer to this question is 'Yes' - the significant prior year information should be repeated in the current year even if the current year equivalent info is deemed insignificant. My basis is that each year deserves to be evaluated on its own for what's relevant for that period. Such disclosure will force the dialogue (ie challenge the conclusion) on why the other period was considered insignificant.

(b) Lawyer: Not as a general rule. Again, I think this should be a principles-based determination. For example, it might be useful to a financial statement user's understanding of the current period to see roll-forwards from prior periods but this information presumably would be available to the market in prior financial statements.

9. The input from resource group members is mixed on this question and the staff think that both sides raise valid points. Therefore, the staff looked to current requirements. Paragraph 38 of IAS 1 *Presentation of Financial Statements* requires an entity to disclose "comparative information in respect of the previous period for all amounts reported in the current period's financial statements" except when IFRSs permit or require otherwise. IAS 1 requires, at a minimum, presentation of two of each primary statement and related notes. That paragraph also states that an entity should include "comparative information for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements."

10. The Accounting Standards Codification (ASC) has no requirements for comparative information. In Phase A of this project, the FASB agreed to the comparative information requirements that are now in IAS 1 (except at the time agreed to presentation of three statements of financial position). The FASB will revisit its Phase A decisions in March and expose those decisions in their FSP exposure draft.

11. The notes to financial statements are part of the financial statements; therefore the staff think that IAS 1 would require an entity to present an analysis for a previous period(s) if it is presented for the current period. Said differently, the current period financials would drive the presentation of the financials for previous periods. The staff see no reason why there should be an exception for the analysis of changes in significant asset and liability line items.

Staff recommendation

12. The staff recommend:
    (a) that an entity present a comparative analysis of changes in an asset or liability line item in respect of the previous period(s) for the analysis of changes reported in the current period's financial statements.
    (b) that management use its judgement to determine whether an analysis of the change in an asset or liability line item should be presented for the current period if it was presented in a previous period but is not deemed significant in the current period.

Question 2
The staff recommend that an entity present a comparative analysis of changes in an asset or liability line item in respect of the previous period(s) for the analysis of changes reported in the current period's financial statements. Management would use its judgement to determine whether analyses of changes that were presented in previous period(s) would also need to be presented for the current period. **Do the boards agree with that recommendation?**

Issue 3: Existing reconciliation requirements

Staff analysis

13. Some standards in IFRSs and US GAAP already require a reconciliation of the beginning and ending balance of a certain account. The following provide some examples of existing reconciliations required in IFRS and US GAAP:

    (a) carrying amounts of exploration and evaluation assets at the beginning and end of the period (IFRS 6.25)

    (b) changes in insurance liabilities (IFRS 4.IG37)

    (c) carrying amounts of property, plant and equipment at the beginning and end of the period (IAS 16.73(e))

    (d) reconciliation of beginning and ending balances of defined benefit (projected) obligation (ASC 712-20-50-1a) and reconciliation of beginning and ending balances of plan assets (related to defined benefit plan) (ASC 712-20-50-1b).

    (e) carrying amount of intangible assets at the beginning and end of the period (IAS 38.118 - (e)).

    (f) carrying amounts of investment property at the beginning and end of the period (IAS 40.76and 79(d)).

    (g) carrying amounts of biological assets at the beginning and end (IAS 41.50 and 55)

    (h) carrying amount of goodwill (ASC 350-20-50-1).

    (i) carrying amount at the beginning and end of the period for each class of provisions (IAS 37.84)

(j) reconciliation of the beginning and ending aggregate carrying amount of asset retirement obligations (ASC 410-20-50-1).

14. The staff suggest one of the following alternatives for handling the existing requirements for specific reconciliations:

    (a) **Alternative A –** the requirement in financial statement presentation (FSP) standard for analyses of changes in significant line items would supersede (replace) existing requirements.

    (b) **Alternative B –** maintain the existing requirements to reconcile specific line items. However, the specific guidance on how to present the reconciliation will be removed from existing standards and replaced with a reference to the guidance in the FSP standard (see paragraph A6 in Appendix A).

    (c) **Alternative C –** maintain the existing requirements to reconcile specific line items and the guidance on how to present the reconciliation. However, require that reconciliation to be consistent with the requirements in the FSP standard.

Alternative A

15. The introduction of a general principle requiring the reconciliation of significant line items (paragraph A4) and a general description of its component or parts (paragraph A6) may cause some to think that we can remove the reconciliation requirements from specific standards. If that were done, there would be by definition no standards that require a specific reconciliation or require components particular to a certain account.

16. If existing reconciliation requirements are replaced by analyses of changes of significant line items, the staff think that entities may stop presenting the reconciliations currently required because they are not significant based on the factors outlined in paragraph A4.

17. In addition, the staff note that some current standards that require a reconciliation are quite descriptive in this respect. For example, paragraph 73(e) of IAS 16 requires that the reconciliation of property, plant and equipment show

several components, such as additions, assets classified as held for sale or included in a disposal group, acquisitions, increases or decreases from revaluations, impairment losses, depreciation, exchange differences and other changes. Alternative A would delete this specific guidance from IAS 16, as well as the requirement to reconcile the beginning and ending balance of property, plant and equipment.

Alternative B

18. The staff also thought about maintaining the existing requirements to reconcile specific line items but removing the specific guidance contained therein to produce the reconciliation. In Alternative B, reconciliations would be prepared by following the general guidance specified in the FSP standard (see paragraph A6 in Appendix A).

19. The staff does not support Alternative B because the guidance in paragraph A6 is very general and is not very specific as to the particular components to be included in the analyses of changes for significant line items. For example, IAS 19 requires the reconciliation of the defined benefit obligation (paragraph 120A(c)) and the plan assets (paragraph 120A(e)) and each reconciliation specifies several components, such as current service cost, interest cost, expected return on plan assets, contributions by plan participants, actuarial gains and losses, and foreign currency exchange rate changes, among others. None of these components are fully described in the guidance provided in paragraph A6, as the latter refers to broader components, such as cash and non-cash transactions and other remeasurement components.

20. Continuing with the example for property, plant and equipment, Alternative B would mean maintaining the requirement to reconcile the beginning and ending balance of property, plant and equipment in paragraph 73(e) of IAS 16, but deleting information about the components to be included in the reconciliation. The latter would mean an entity would need to identify specific components to include based on the broad components defined in paragraph A6. The example below compares the components required by IAS 16 and the components proposed in paragraph A6:

Property, Plant and Equipment: IAS 16—how the required reconciliation components match with the proposed components

Proposed components (Paragraph A6)	Components required in IAS 16
(a) changes due to cash inflows and cash outflows	(i) additions (ii) disposals
(b) changes resulting from non-cash (accrual) transactions that are recurring and routine in nature (eg credit sales)	
(c) changes resulting from non-cash transactions or events that are non-routine or non-recurring in nature (eg acquisition or disposition of a business)	(ii) assets classified as held for sale or included in a disposal group as held for sale (iii)acquisitions through business combinations
(d) changes resulting from accounting allocations (eg depreciation)	(vii)depreciation
(e) changes resulting from accounting provisions/reserves (eg bad debts, obsolete inventory)	
(f) changes resulting from remeasurements.	(iv) increases/decreases due to revaluations and impairment losses recognized/ reversed in OCI (v), (vi) impairment losses recognised/reversed in profit or loss, (viii) net exchange differences and Par 77 - change in revaluation reserves

Alternative C

21. If reconciliation requirements remain in specific standards, one could argue that the latter would just duplicate the requirements in paragraph A6. However, in line with the discussion above, the staff think that if reconciliations are removed from specific standards this might result in a loss of information, as there would be a lack of explanatory guidance about the specific components of such reconciliations and ways to prepare this information. Maybe for some reconciliations (eg property, plant and equipment) specific components are simple to define, but the staff does think this is true for more complex reconciliations (eg defined benefit obligations or plan assets).

22. The staff think that the particular aspects of each reconciliation should remain. The question might be, however, what would be the best location in IFRS/US GAAP for those specific requirements. The staff thought about gathering all specific reconciliation requirements and including them as an Appendix in the FSP standard. While this would have the advantage of bringing together all reconciliation requirements in one single location, it would deviate from the true objective of a presentation standard that is focused on providing general presentation guidance. As mentioned in IAS 1, this Standard “sets out **overall**

requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content" [emphasis added].

Staff recommendations

23. The staff supports **Alternative C**. The staff think that the reconciliations of specific items, as required elsewhere in IFRSs or US GAAP (some of which are described in paragraph 13), should always be disclosed notwithstanding the factors outlined in paragraph A4. The structure of the reconciliations in IFRS and US GAAP follow a similar structure to the one proposed in paragraph A6. Thus, the staff do not think that the structure specified in each standard should be reviewed or modified through the consequential amendments process. However, it should be clear that an entity should consider the components in paragraph A6 when preparing the required reconciliations.

24. Some board members are concerned that the components proposed in paragraph A6 are too broad and therefore the amounts presented in the analysis of changes will be too highly aggregated. In response to that concern, the staff recommend that the exposure draft clarify that an entity should separately distinguish *within* each component any elements of change that are different. For example, a change in a fixed asset line item might result from more than one remeasurement (an impairment and a loss on disposal). Those remeasurements should be disclosed on separate lines in the note disclosures, not aggregated in one amount. This is consistent with the overall disaggregation principle. An entity should also appropriately describe the type of change and not use the component descriptions. (See paragraph A7 and the illustrations in Appendix B.)

Questions 3 and 4

3. The staff recommend that the reconciliations of specific items, as required elsewhere in IFRSs or US GAAP, should always be disclosed notwithstanding the factors outlined in (paragraph A4 of) the FSP standard. All reconciliations required in existing standards should refer to the FSP standard and require an entity to consider the components in paragraph A6 when preparing the required reconciliations. **Do the boards agree with that recommendation?**

4. The staff recommend that the exposure draft clarify that an entity should separately distinguish *within* each component the elements of change that are different. **Do the boards agree with that staff recommendation?**

Appendix A—proposed paragraphs for exposure draft

A1. An entity shall present in the notes to financial statements an analysis of the changes in balances of all significant asset and liability line items from the beginning to the end of the period.

A2. The analysis should provide investors, creditors, and other users of financial statements with decision-useful information to provide clarity and insight into the balances recorded in the financial statements. The analysis should be in sufficient detail to enhance a users' ability to assess an entity's liquidity, financial flexibility and future cash flows. It is expected the information contained in the analysis would be incremental to the information already provided in the rest of the financial report.

A3. An entity should present the analysis of a change in an asset or liability line item in the same note disclosure as other information about that specific asset or liability. For example, the analysis of changes in the pension plan SFP line item should be part of the entity's pension plan note disclosure. As part of the note disclosure, an entity should explain the components of the analysis unless self evident.

A4. An entity should consider the following factors in determining the asset and liability line items to analyze in the notes [<u>marked</u> to show substantive changes from October 2009 recommendation]:

(a) the use of assumptions or judgments in measuring the asset or liability and the degree of uncertainty in the measurement

(b) the variability in the measurement due to risk exposure and the nature of that exposure (eg credit, foreign exchange, interest rate)

(c) the nature and magnitude of transactions or events that are non-recurring

(d) the significance of the <u>beginning and</u> ending balance with respect to total assets or total liabilities

(e) the significance of a change in the line item balance with respect to revenues, expenses, <u>and/or cash flows</u>

(f) the significance of the activity flowing through the line item with respect to revenues, expenses, <u>and/or cash flows</u>

(g) any other transaction or event that could affect the future investment or credit decisions of a reasonable investor, creditor, or other user of financial statements.

A5. The factors in paragraph A4 should be considered in totality with no single factor necessarily conclusive. For instance, an entity may determine the accounts receivable line item to be significant, irrespective of the balance at the end of the period, because of the significant volume of credit sales in any given period combined with the uncertainty and variability of collection attributable to credit risk.

A6. The analysis should explain the nature of the transactions and other events that gave rise to a change in the line item balance in sufficient detail and should separately distinguish the following components:

(a) changes due to cash inflows and cash outflows

(b) changes resulting from non-cash (accrual) transactions that are recurring and routine in nature (eg credit sales, interest expense) except remeasurements

(c) changes resulting from non-cash transactions or events that are non-recurring or non-routine in nature (eg acquisition or disposition of a business) except remeasurements

(d) changes resulting from accounting allocations (eg depreciation)

(e) changes resulting from accounting allowances/reserves (eg bad debts, obsolete inventory)

(f) changes resulting from remeasurements (eg foreign currency translation, impairment; see [the paragraphs] that define a remeasurement).

A7. If the components in paragraph A6 are comprised of different elements, then those elements should be clearly identified and disaggregated. For example, changes in a fixed asset line item resulting from other remeasurements might include an impairment and a disposal gain or loss.

A8. An entity shall present a comparative analysis of changes in an asset or liability line item in respect of the previous period(s) for the analysis of changes reported in the current period's financial statements. Management would use its judgement to determine whether analyses of changes that were presented in previous period(s) would also need to be presented for the current period.

A9. Some standards in IFRSs and US GAAP already require a reconciliation of the beginning and ending balance of a specific account. The reconciliations of specific items, as required elsewhere in IFRSs or US GAAP, should always be disclosed notwithstanding the factors outlined in paragraph A4. All reconciliations required in existing standards should refer to the FSP standard and require an entity to consider the components in paragraph A6 when preparing the required reconciliations.

Appendix B—analyses of changes in significant line items

Statement of financial position — ToolCo (“Significant” line items are shaded)

STATEMENT OF FINANCIAL POSITION
For years ending 31 December

	2010	2009
BUSINESS		
Operating		
Accounts receivable, trade (net of allowance of 23,642, and 13,534 respectively) (See Note 1)	922,036	527,841
Inventory (See Note 2)	679,474	767,102
Cash flow hedge (See Note 9)	6,552	3,150
Prepaid advertising and other (See Note 9)	80,000	75,000
Total short-term assets	1,688,062	1,373,092
Property, plant, and equipment (less accumulated depreciation of 2,264,620, and 2,022,000, respectively) (See Note 3)	2,817,460	3,041,500
Building (net of accumulated depreciation of 1,500, and 3,000 respectively) (See Note 3)	27,620	23,500
Investment in associate A (See Note 7)	261,600	240,000
Goodwill (See Note 9)	154,967	154,967
Other intangible assets (See Note 9)	35,000	35,000
Total long-term assets	3,296,647	3,494,967
Advances from customers (See Note 1)	(182,000)	(425,000)
Accounts payable, trade (See Note 2)	(612,556)	(505,000)
Current portion of lease liability (See Note 3)	(35,175)	(33,500)
Interest payable on lease liability (See Note 3)	(14,825)	(16,500)
Wages, salaries, and benefits payable (See Note 4)	(173,000)	(200,000)
Share-based remuneration liability (see Note 8)	(39,586)	(21,165)
Total short-term liabilities	(1,057,142)	(1,201,165)
Accrued pension liability (See Note 4)	(293,250)	(529,500)
Lease liability (excluding current portion) (See Note 3)	(261,325)	(296,500)
Other long-term liabilities (litigation + Decommissioning) (See Note 3 & 8)	(33,488)	(16,100)
Total long-term liabilities	(588,063)	(842,100)
Net operating assets	**3,339,504**	**2,824,795**
Investing		
Available-for-sale securities (See Note 7)	473,600	485,000
Investment in associate B (See Note 7)	46,750	39,250
Total investing assets	520,350	524,250
Net business assets	**3,859,854**	**3,349,045**
FINANCING		
Financing assets		
Cash	1,174,102	861,941
Total financing assets	**1,174,102**	**861,941**
Financing liabilities		
Short-term debt (See Note 5)	(562,000)	(400,000)
Interest payable (See Note 5)	(140,401)	(112,563)
Dividends payable (see Note 8)	(20,000)	(20,000)
Total short-term financing liabilities	(722,401)	(532,563)
Long-term debt (See Note 5)	(2,050,000)	(2,050,000)
Total financing liabilities	**(2,772,401)**	**(2,582,563)**
Net financing assets	**(1,598,299)**	**(1,720,621)**
DISCONTINUED OPERATIONS		
Assets held for sale (See Note 10)	856,832	876,650
Liabilities held for sale (See Note 10)	(400,000)	(400,000)
Net assets held for sale	**456,832**	**476,650**
INCOME TAXES		
Short-term		
Income taxes payable (See Note 6)	(72,514)	(63,679)
Deferred tax asset (See Note 6)	4,426	8,907
Long-term		
Deferred tax asset (See Note 6)	39,833	80,160
Net income tax asset (liability)	**(28,255)**	**25,388**
Net assets	**2,690,132**	**2,130,462**
EQUITY		
Share capital	(1,427,240)	(1,343,000)
Retained earnings	(1,100,358)	(648,289)
Accumulated other comprehensive income	(162,534)	(139,173)
Total equity	**(2,690,132)**	**(2,130,462)**

Analysis of changes in significant line items – ToolCo (continued)

Note 1 - Revenues and Billings

	Accounts Receivable	Bad Debt	Customer Advances
Beginning balance 1 January 2010	541,375	(13,534)	(425,000)
Collections from customers	(2,491,950)	-	(324,000)
Sale of receivables	(8,000)	-	-
Total Cash Changes	(2,499,950)	-	(324,000)
Revenue accrual	2,920,600	-	567,000
Write-offs	(12,960)	12,960	-
Other adjustment - bad debt reserve	-	(23,068)	-
Remeasurement - loss on sale of receivables	(4,987)	-	-
Remeasurement - foreign exchange	1,600	-	-
Ending balance 31 December 2010	945,678	(23,642)	(182,000)

Note 2 - Inventory Costs

	Inventory	Inventory Accounts Payable
Beginning balance 1 January 2010	767,102	(505,000)
Cash paid for purchases	-	935,544
Total Cash Changes	-	935,544
Accrual - credit purchases	1,043,100	(1,043,100)
Allocation - wages, benefits, depreciation	624,300	-
Reduction from sales	(1,727,650)	-
Remeasurement - Loss on inventory	(29,000)	-
Remeasurement - foreign exchange	1,622	-
Ending balance 31 December 2010	679,474	(612,556)

Note 3 - Long-lived Assets

	PP&E Net	Building Net	Asset Retirement Obligation*	Lease Liability Including Interest
Beginning balance 1 January 2010	3,041,500	23,500	(14,250)	(346,500)
Cash paid to purchase PP&E	54,000	-	-	-
Cash paid for lease	-	-	-	33,500
Cash paid for interest	-	-	-	16,500
Cash received from sale of assets	(37,650)	-	-	-
Total Cash Changes	16,350	-	-	50,000
Accrual - interest	-	-	-	(14,825)
Allocation - depreciation, accretion	(277,620)	(1,500)	(810)	-
Remeasurement - gain on sale of assets	22,650	-	-	-
Remeasurement - ARO recognition	14,580	-	(14,580)	-
Remeasurement - revaluation surplus	-	5,620	-	-
Ending balance 31 December 2010	2,817,460	27,620	(29,640)	(311,325)

* Amount is included as part of Other long-term liabilities (litigation + Decommissioning) in the Statement of Financial Position.

Note 4 - Compensation and Benefits

	Wages, Salaries, Benefits	Share-based Remuneration*	Pension Liability*
Beginning balance 1 January 2010	(200,000)	(21,165)	(529,500)
Cash paid for wages, salaries and benefits	810,000	-	-
Cash paid for stock remuneration	-	3,602	-
Contribution to plan	-	-	124,200
Payment of benefits	-	-	216,000
Total Cash Changes	810,000	3,602	340,200
Accrual	(783,000)	-	-
Accrual - stock remuneration	-	(15,773)	-
Accrual - pension expense (service cost)	-	-	(121,950)
Remeasurement - remeasurement of plan assets	-	-	18,000
Remasurement - fair value	-	(6,250)	-
Ending balance 31 December 2010	(173,000)	(39,586)	(293,250)

*Example to illustrate analysis of changes from SFP perspective. This disclosure would be combined with or replace disclosures currently required by IFRS or US GAAP.

Note 5 - Debt

	Long-Term	Short-Term	Interest
Beginning balance 1 January 2010	(2,050,000)	(400,000)	(112,563)
Cash received from issuance of debt	-	(162,000)	-
Cash paid for interest	-	-	83,515
Total Cash Changes	-	(162,000)	83,515
Accrual - interest	-	-	(111,353)
Ending balance 31 December 2010	(2,050,000)	(562,000)	(140,401)

Analysis of changes in significant line items – ToolCo (continued)

Note 6 - Income Taxes*

	Deferred Taxes	Income Tax Payable
Beginning balance 1 January 2010	89,067	(63,679)
Taxes paid	-	281,222
Total Cash Changes	-	281,222
Other adjustment - reverse provision	(44,808)	-
Accruals - current tax	-	(290,057)
Ending balance 31 December 2010	44,259	(72,514)

*Example to illustrate analysis of changes from SFP perspective.
This disclosure would be combined with or replace disclosures
currently required by IFRS or US GAAP.