

High inflation accounting Related disclosure

Scope

- 1) This Standard shall be applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a high-inflationary economy.
- 2) In a high-inflationary economy, in various aspects very similarly to a hyperinflationary economy, reporting of operating results and financial position in the local currency without proper disclosure of restated figures is not useful for users, because in many cases can be confusing.
- 3) As money loses purchasing power at a very high rate, the comparison of amounts from transactions and other events that have occurred at different times, even within the same accounting period, can be misleading.
- 4) A high-inflation economy normally shows various of the environment characteristics described in paragraph 3 of IAS 29 and its cumulative inflation rate over three years is between 26% and 100%.
- 5) There is a rebuttable presumption that an economy whose inflation rate over three years is less than 26% is not a high-inflationary economy
- 6) When an economy ceases to be high inflationary, an entity can discontinue the disclosure required by this Standard.
- 7) The following disclosures shall be made:
 - a) The fact that the functional currency of the entity is the one of a high-inflationary economy
 - b) That the figures included in a specific note, for the actual and previous periods, have been restated for the changes in the general purchasing power of the functional currency and, as a result, are stated in terms of the measuring unit current at the end of the reporting period, applying the same methodology as the one required by IAS 29 to the functional currency of hyperinflationary economies.
 - c) The identification and level of the price index used at the end of the reporting period, and the movement in the index during the current and the previous reporting period.
 - d) The summarized figures of a statement of financial position as at the end of the period; a statement of profit or loss and other comprehensive income for the period; a statement of changes in equity for the period and a statement of cash flows for the period, according with the models included in Annex I

ANNEX I
Illustrative presentation of summarized financial statements

Note X.1 XYZ Group – Summarized amounts of a statement of financial position as at 31 December 20X2 compared with the previous closing date (in thousands of restated currency units (r.c.u) in terms of the measuring unit current at the end of the latest reporting period)

	31/12/X2 r.c.u.	31/12/X1 r.c.u.
ASSETS		
Non-current assets		
Current assets		
Total assets		
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Non-controlling interests		
Total equity		
Non-current liabilities		
Current liabilities		
Total liabilities		
Total equity and liabilities		

Note X.2 XYZ Group – Summarized amounts of a statement of profit or loss and other comprehensive income for the year 20X2 compared with the previous annual period (in thousands of restated currency units (r.c.u) in terms of the measuring unit current at the end of the latest reporting period)

	31/12/X2 r.c.u.	31/12/X1 r.c.u.
Net Operating Income (Expense)		
Financial Income – Profit (Loss)		
Financial Costs – Profit (Loss)		
Other non Operating Income (Expense)		
Net Income before Income Tax		
Income Tax – Profit (Loss)		
Profit (loss) for the year from continuing operations		
Profit (loss) for the year from discontinued operations		
PROFIT (LOSS) FOR THE YEAR		
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Items that may be reclassified subsequently to profit or loss		
Other comprehensive income for the year, net of tax		
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		
Profit attributable to:		
Owners of the parent		
Non-controlling interests		
Total comprehensive income attributable to:		
Owners of the parent		
Non-controlling interests		
Earnings per share (in restated currency units):		
Basic and diluted		

Note X.3 XYZ Group – Summarized amounts of a statement of changes in equity for the year 20X2 compared with the previous annual period (in thousands of restated currency units (r.c.u) in terms of the measuring unit current at the end of the latest reporting period)

	Controlling Interests r.c.u.	Non Controlling Interests r.c.u.	Total r.c.u.
Balance at 1 January 20X1			
Changes in accounting policy			
Restated balance			
Dividends			
Total comprehensive income for the year			
Balance at 31 December 20X1			
Changes in accounting policy			
Restated balance			
Dividends			
Total comprehensive income for the year			
Balance at 31 December 20X2			

Note X.4 XYZ Group – Summarized amounts of a statement of cash flows for the year 20X2 compared with the previous annual period (in thousands of restated currency units (r.c.u) in terms of the measuring unit current at the end of the latest reporting period)

	31/12/X2 r.c.u.	31/12/X1 r.c.u.
Cash flows from operating activities		
Cash flows from investing activities		
Cash flows from financing activities		
Net increase in cash and cash equivalents		
Cash and cash equivalents at beginning of period		
Cash and cash equivalents at end of period		