

STAFF PAPER

7 – 8 July 2016

Accounting Standards Advisory Forum

Project	Primary Financial Statements		
Paper topic	Cover paper		
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This paper has been prepared for discussion at a public meeting of the Accounting Standards Advisory Forum. The views expressed in this paper do not represent the views of the International Accounting Standards Board[®] (“the Board”) or any individual member of the Board. Comments on the application of IFRS[®] Standards do not purport to set out acceptable or unacceptable application of IFRS Standards. Technical decisions are made in public and reported in IASB *Update*.

1. In May 2016 the Board discussed its approach to research in the Primary Financial Statement project. The purpose of this research is to develop in detail the scope for the project. At that meeting, the Board tentatively decided:
 - (a) that initial research work should focus on the structure and content of the statement(s) of financial performance, including whether there should be a requirement to include a defined sub-total for operating profit and the use of alternative performance measures (ie financial measures that are not defined or specified in Standards);
 - (b) not to undertake research into defining a single measure of performance or describing the distinction between profit or loss and other comprehensive income (OCI), at this stage;
 - (c) to undertake research to establish whether there is any demand for changes to the statement of cash flows and the statement of financial position. This research would include any feedback on the proposed discussion paper on the Statement of Cash Flows being prepared by the staff of the UK Financial Reporting Council;
 - (d) not to undertake research into possible changes to the statements of changes in equity as part of this project. (The project on Financial Instruments with the Characteristics of Equity is considering how best to present changes in claims, including equity claims.); and

- (e) to undertake research to determine the implications of digital reporting for the structure and content of the primary financial statements.
2. The objective of this meeting is to seek ASAF members' views on the areas of the primary financial statements that need improvement.
 3. The Agenda Papers for this topic are:
 - (a) **Agenda Paper 3A:** Scope of the Primary Financial Statements project. This paper will be discussed at the meeting. It includes questions for ASAF members.
 - (b) **Agenda Paper 3B:** Paper on the feedback received from the Agenda Consultation process. This paper is included for background information only.
 - (c) **Agenda Paper 3C:** Paper on the approach to research that was discussed at the May 2016 Board meeting. This paper is included for background information only.