



IFRS 8

INTERNATIONAL FINANCIAL REPORTING STANDARDS

GROUP CONTRIBUTION

- 01 AMAN (PPT Design and Information collection)
- 02 SATYAM (Content and Information)
- 03 PRATIK (Content topics and Subtopics)
- 04 PRANAB (Overview and framework in presentation)
- 05 AKASH (Speaker and Information gathering)

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INTRODUCTION

IFRS 8 requires an entity whose debt or equity securities are publicly traded to disclose information to enable users of its financial statements to evaluate the nature and financial effects of the different business activities in which it engages and the different economic environments in which it operates. It specifies how an entity should report information about its operating segments in annual financial statements and in interim financial reports. It also sets out requirements for related disclosures about products and services, geographical areas and major customers.



WHY SEGMENT REPORTING MATTERS

- 01 Transparency
- 02 Performance Evaluation
- 03 Resource Allocation
- 04 Risk Assessment
- 05 Investor Decision-Making
- 06 Regulatory Compliance
- 07 Consistency
- 08 Improved Accountability



SCOPE OF IFRS 8



IFRS 8 applies to

- Financial statements of an entity whose equity and debt instruments are traded in a public market (domestic or foreign stock exchange)
- an entity that is in the process of filing its financial statements with a securities commission for issuing any class of instruments
- consolidated financial statements of a group with a parent whose equity and debt instruments are traded in a public market (domestic or foreign stock exchange)
- consolidated financial statements of a group with a parent that is in the process of filing its financial statements with a securities commission for issuing any class of instruments
- segment information is required only in the consolidated financial statements of the parent company

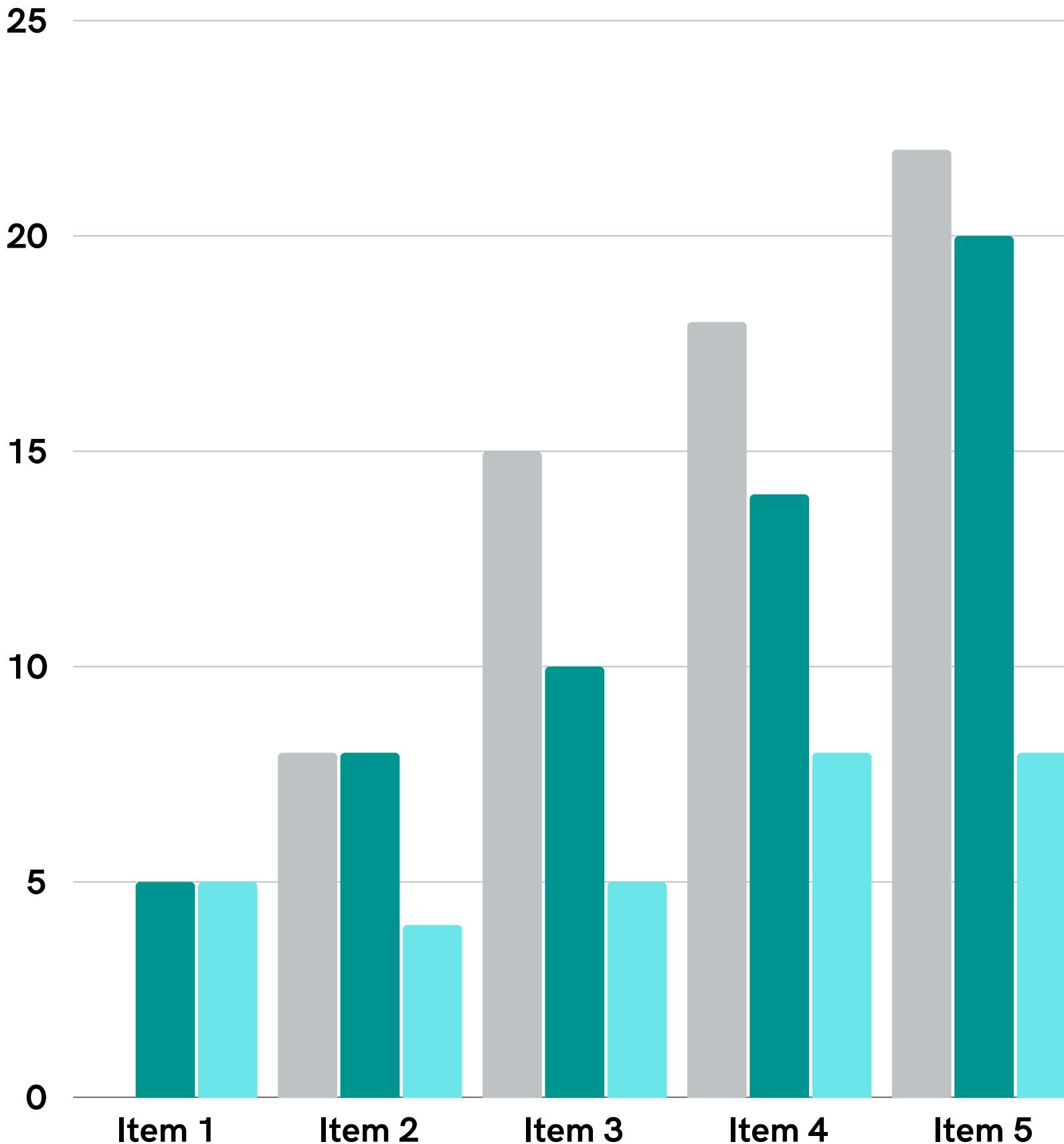
DISCLOSURES REQUIRED BY IFRS 8

IFRS 8, titled "Operating Segments," mandates specific disclosures in an entity's financial statements to provide information about its operating segments. These disclosures are essential for transparency and allow financial statement users to understand the entity's business activities and performance by segment.



KEY CHALLENGES

- Segment Identification
- Aggregation of Segments
- Consistency with Internal Reporting
- Interim Reporting
- Identification of Chief Operating Decision-Maker
- Transition Challenges
- Complex Business Structures
- Disclosure of Major Customers
- Geographical and Product/Service Reporting
- Regulatory Compliance



BENEFITS

- Enhance transparency
- Better Decision-Making
- Improved Accountability
- Enhanced Comparability
- Resource Allocation
- Risk Assessment
- Strategic Planning
- Enhanced Investor Confidence

XYZ Corporation is a multinational conglomerate involved in various business activities, including manufacturing electronics, providing financial services, and operating a chain of retail stores.

Operating Segments Identified:

- Electronics Manufacturing (EM): This segment manufactures and sells electronic devices.
- Financial Services (FS): This segment offers various financial products and services.
- Retail Stores (RS): This segment operates a chain of retail stores.

EXAMPLE

Reconciliation: The company needs to reconcile the total of the reportable segments' revenue, profit or loss, assets, and liabilities to the corresponding totals in the entity's financial statements.

In this simplified example, XYZ Corporation has identified three operating segments (EM, FS, RS) and has provided the required disclosures for each segment in its financial statements, as per IFRS 8. This allows stakeholders to understand the financial performance, assets, and liabilities associated with each business segment separately, providing transparency and valuable insights into the company's diversified operations.



A black and white aerial photograph of a dense urban landscape, likely New York City, showing a high concentration of skyscrapers and buildings packed closely together.

Thank you!
