

IAS 34 Interim Financial Reporting — Basis for Conclusions (Abridged)

This Basis for Conclusions accompanies, but is not part of, IAS 34.

Following are the paragraphs from the IASB's Basis for Conclusions on IAS 34 necessary to understand the amendments for IFRS 18 Presentation and Disclosure in the Financial Statements issued by the IASB in April 2024.

Content of an interim financial report

...

BCZ5A The Board decided not to reflect in paragraph 8 of IAS 34 (which sets out the minimum components of an interim financial report) its decision to require in a complete set of financial statements a statement of financial position as at the beginning of the earliest comparative period. IAS 34 has a year-to-date approach to interim reporting and does not replicate the requirements in IFRS 18 *Presentation and Disclosure in the Financial Statements* in terms of comparative information.

Selected explanatory notes

...

Other disclosures incorporated by cross-reference to information outside the interim financial statements

...

Management-defined performance measures

BC10A IFRS 18 amended the disclosure requirements for interim financial reporting. Under IAS 34, as amended by IFRS 18, an entity is required to make disclosures about its management-defined performance measures in the notes to its condensed interim financial statements; they are the same disclosures as those that are required in an entity's complete set of financial statements by paragraphs 121–125 of IFRS 18. The IASB concluded that requiring information about management-defined performance measures in interim financial reports would provide users of financial statements with transparent information about these measures and allow them to analyse all aspects of an entity's performance on a timely basis.

BC10B Consistent with the objective of condensed interim financial reports, an entity would not need to duplicate previously reported information about management-defined performance measures—for example, information about why an entity's management thinks a management-defined performance measure communicates aspects of the entity's performance.

BC10C Some preparers of financial statements were concerned about the costs of preparing a disclosure of the effects of income tax and non-controlling interest of reconciling items between the management-defined performance measure and the most directly comparable subtotal listed in paragraph 118 or total or subtotal specifically required to be presented or disclosed by IFRS Accounting Standards. In response to these concerns, the IASB considered not requiring this disclosure in condensed financial statements. However, it rejected this approach because omitting this information from condensed financial statements could, the IASB decided, undermine the usefulness of the disclosure of management-defined performance measures. The IASB noted that its requirements in paragraph B141 of IFRS 18 for determining the tax effect of management-defined performance measure adjustments should also reduce the costs of providing this information.

