

CPA Canada handbook – accounting, part II

highlight summary no. II.26

April 2021

(Note: Any changes to previously issued standards are identified in the effective date guidance in each affected standard.)

Annual improvements to accounting standards for private enterprises

The following standards have been amended as a result of 2021 annual improvements:

- **FIRST-TIME ADOPTION**, Section 1500, has been amended to clarify that an enterprise that applied accounting standards for private enterprises in a previous reporting period, but whose most recent annual financial statements were not prepared in accordance with accounting standards for private enterprises, can apply Section 1500 again or can apply the standards retrospectively in accordance with ACCOUNTING CHANGES, Section 1506. The amendments also include disclosure requirements in this regard.
- **CURRENT ASSETS AND CURRENT LIABILITIES**, Section 1510, has been amended to provide an option to present amounts owing on loans from directors, officers and shareholders, and amounts owing to parent and other affiliated companies, whether on account of a loan or otherwise, in aggregate with the amounts disclosed separately in the notes to the financial statements or supporting schedules.
- **CASH FLOW STATEMENT**, paragraph 1540.47, has been amended to remove the requirement to disclose in aggregate, in respect of both business combinations and disposals of business units during the period, the total assets, other than cash or cash equivalents, and total liabilities acquired or disposed of.
- **FINANCIAL INSTRUMENTS**, Section 3856, Illustrative Example 3, has been amended to use an assigned value of \$45,000.

These amendments are effective for annual financial statements relating to fiscal years beginning on or after January 1, 2022. Earlier application is permitted.

Archived Pronouncements

To give Handbook readers continued access to superseded paragraphs until such time they are no longer applicable, supplements in Archived Pronouncements set out the wording of those paragraphs. The archived material will be withdrawn from the Handbook when it is no longer effective.

Withdrawn:

- Supplements relating to 2017 annual improvements.

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