

Disclosure Initiative (Amendments to FRS 107)

This Addendum sets out the amendments to FRS 107 Statement of Cash Flows. An entity shall apply the amendments in this Addendum for annual periods beginning on or after 1 January 2017. Earlier application is permitted.

Paragraphs 44A–44E and the related heading is added. Paragraph 60 is also added.

The following FRSs amended FRS 107 and are listed here for ease of reference:

- FRS 10 *Consolidated Financial Statements* and FRS 11 *Joint Arrangements* added paragraph 57
- *Investment Entities* (Amendments to FRS 10, FRS 12 and FRS 127) added paragraph 58
- FRS 16 *Leases* added paragraph 59

Changes in liabilities arising from financing activities

- 44A An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.**
- 44B To the extent necessary to satisfy the requirement in paragraph 44A, an entity shall disclose the following changes in liabilities arising from financing activities:
- (a) changes from financing cash flows;
 - (b) changes arising from obtaining or losing control of subsidiaries or other businesses;
 - (c) the effect of changes in foreign exchange rates;
 - (d) changes in fair values; and
 - (e) other changes.
- 44C Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities. In

addition, the disclosure requirement in paragraph 44A also applies to changes in financial assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

- 44D One way to fulfil the disclosure requirement in paragraph 44A is by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, including the changes identified in paragraph 44B. Where an entity discloses such a reconciliation, it shall provide sufficient information to enable users of the financial statements to link items included in the reconciliation to the statement of financial position and the statement of cash flows.
- 44E If an entity provides the disclosure required by paragraph 44A in combination with disclosures of changes in other assets and liabilities, it shall disclose the changes in liabilities arising from financing activities separately from changes in those other assets and liabilities.

Effective date

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- 60 *Disclosure Initiative* (Amendments to FRS 107), issued in April 2016, added paragraphs 44A–44E. An entity shall apply those amendments for annual periods beginning on or after 1 January 2017. Earlier application is permitted. When the entity first applies those amendments, it is not required to provide comparative information for preceding periods.