

Appendix A Annual Improvements to IFRSs 2010 – 2012 Cycle

Amended Standard	Title	Description of Change and Comments	Code Amendment
IFRS 2 <i>Share-based Payment</i>	Definition of vesting condition	Not applicable to local authorities	NA
IFRS 3 <i>Business Combinations</i>	Accounting for contingent consideration in a business combination	Applicable to local authorities, though not a commonly occurring transaction. Local authorities should refer directly to IFRS 3 for the application of the amendment. However, a number of the consequential amendments have been included in the Exposure Draft of the Code. If these arrangements apply they will apply prospectively to local authorities.	7.1.8.1 8.2.1.3 (see ED 8)
IFRS 8 <i>Operating Segments</i>	Aggregation of operating segments	Applicable to local authorities. This is a narrow scope amendment to require entities to disclose those factors that are used to identify the entity's reportable segments when operating segments have been aggregated. The aggregation of operating segments should normally be self-evident from the internal management reports of the authority and therefore this disclosure of management's judgements should not be onerous.	3.4.2.90 (see ED 1)
IFRS 8 <i>Operating Segments</i>	Reconciliation of the total of the reportable segments' assets to the entity's assets	This amendment is intended to clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should be disclosed, if that amount is regularly provided to the chief operating decision maker. Applicable to local authorities but already clear in paragraph 3.4.2.95 (ED 1 para. 3.4.2.94). No further amendment made to the Code.	NA
IFRS 13 <i>Fair Value Measurement</i>	Short-term receivables and payables	Applicable to local authorities but unlikely to be a significant transaction.	NA
IAS 16 <i>Property, Plant and Equipment</i>	Revaluation method— proportionate restatement of accumulated depreciation	Applicable to local authorities. Paragraph 4.1.2.33 of the 2015/16 Code included the option of proportionately restating any accumulated depreciation and impairment at the date of valuation. This amendment clarifies the treatment as it is the IASB's view that the restatement of the accumulated depreciation is not always proportionate to the change in the gross carrying amount. The amendment sets out that the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. However, see additional commentary in the ITC on	See 4.1.2.33 (see ED 2).

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		the approach to this amendment.	
<i>IAS 24 Related Party Disclosures</i>	Key management personnel	Applicable to local authorities The amendment clarifies that a management entity that provides key management services to a reporting entity is deemed to be a related party of the reporting entity. The disclosure requirements for the amounts incurred by an authority for key management personnel services have been inserted in new paragraph 3.9.4.2.	Paragraphs 3.9.2.7 3.9.4.2 (see ED 4)
<i>IAS 38 Intangible Assets</i>	Revaluation method— proportionate restatement of accumulated amortisation	Applicable to local authorities and is a similar change to that required for property, plant and equipment although the Code considers that local authorities will rarely carry intangible assets at fair value. Where intangible assets are carried at fair value direct reference should be made to IAS 38.	NA