

Appendix A to the ITC

Annual Improvements to IFRS Standards 2014 – 2016 Cycle

| Amended Standard | Title | Description of Change and Comments | Code Amendment |
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| <i>IFRS 1 First-time Adoption of International Financial Reporting Standards</i> | Deletion of short-term exemptions for first-time adopters. | This amendment will not apply to local authorities | NA |
| <i>IFRS 12 Disclosure of Interests in Other Entities</i> | Clarification of the scope of the Standard. | This amendment to IFRS 12 clarifies the scope of IFRS 12 with respect to interests in entities within the scope of IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> . Although this amendment does not relate to common transactions for local authorities it has been included in the Code as it is important that the Code includes full details of the scope of the main standards that it adopts. This amendment has an effective date of 1 January 2017. However, the amendments to the Standard were not adopted by the European Union in time to be included in the 2017/18 Code or 2018/19 Codes. | Inserted at paragraph 9.1.2.11, transitional reporting requirements also referred to in Appendix C and included in the list of amended standards in Appendix D. |
| <i>IAS 28 Investments in Associates and Joint Ventures</i> | Measuring an associate or joint venture at fair value. | This amendment applies to when an investment in an associate or joint venture is held by, or is held indirectly through, a venture capital organisation, or a mutual fund, unit trust and similar entities. This amendment clarifies whether the entity is able to choose between applying the equity method, or measuring the investment at fair value for each investment, or whether instead the entity applies the same accounting to all of its investments in associates and joint ventures. This amendment might apply to local authorities although it is not considered to have a wide application. Therefore no direct amendments will be made to the Code. | Transitional reporting requirements referred to in Appendix C and included in the list of amended standards in Appendix D. |