



31 May 2021

Dear {Goes By},

Welcome to *In balance*, providing you with the latest developments in financial reporting.

Recent amendments to IAS 1 could have significant financial reporting impacts, especially for entities with debt covenants. Our webcast "[Classification of Liabilities: Current/Non-Current Considerations](#)" discusses the impact. We have also released;

- "[Transition under revised reporting framework for for-profits](#)" to discuss the considerations for for-profit entities moving from SPFS to GPFS (Our publication "[For-profit entities moving from SPFS to GPFS](#)" provides an overview), and
- "[Climate related risk reporting is here to stay](#)" to cover climate related risk reporting in financial statements (Our publication "[Climate related risks in financial statements](#)" provides an overview).

Not for profit (NFP) entities have the opportunity to obtain disclosure relief when early adopting Tier 2 SDS. Such NFPs can exclude comparative information from the notes to the financial statements when their last GPFS did not disclose similar information. For-profit entities already enjoy similar relief.

The IASB earlier provided accounting relief for lessees to avoid modification accounting for certain COVID-19 rent concessions. The relief now includes COVID-19 rent concessions for lease payments up to 30 June 2022. Consequently, lessees who elected to apply the relief can avoid lease modification accounting for additional lease contracts. [Our IFRS Developments issue 189](#) provides a summary.

Kind regards,

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EY Oceania IFRS Leader

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## Quick links

- ▶ [EY IFRS Hallway](#)
- ▶ [EY IFRS technical resources](#)
- ▶ [EY Australian IFRS home page](#)
- ▶ [Illustrative Australian Company's financial report for 31 December 2020 \(and 30 June 2021\)](#)
- ▶ [Illustrative Australian SDS financial report for 31 December 2020 \(and 30 June 2021\)](#)
- ▶ [EY International GAAP® 2021](#)

## Hot topics



### [Current liability or non-current liability? Watch our webcast](#)

Recent amendments to IAS 1 specify the right to defer settlement of a liability should be based on conditions at the reporting date. This could create significant financial reporting impacts for entities with debt covenants. EY Vincent Sheehan and Tony Hanrahan discuss the impact.



### [Is your for-profit entity planning to move to GPFS from SPFS? Watch our webcast for an overview](#)

EY Melissa Sim and Kala Kandiah discuss the considerations when moving to GPFS from SPFS. We also released our publication "[For-profit entities moving from SPFS to GPFS](#)" to provide an overview.



## How your financial reporting may be impacted by Climate Related Risk Reporting? Watch our webcast "Climate Related risk Reporting is here to Stay"

EY Frank Palmer and Sarah Samarghandi discuss how your business and financial statements may be impacted by climate change reporting. We also released our publication "[Climate related risks in financial statements](#)" to provide an overview.



## Is your NFP planning to early to adopt SDS? You can use optional relief for comparatives

NFPs that early adopt the Simplified Disclosure Standard do not need to provide comparative information in the notes to the financial statements when their last GPFS did not disclose similar information. ([AASB 2021-1](#))



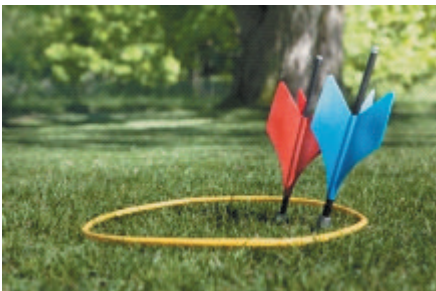
## Receiving COVID-19 rent concessions? The application period for accounting relief has been extended

The application period of the relief for lessees to avoid modification accounting has been extended to include rent concessions for lease payments up to 30 June 2022. As a result, some lessees can apply the relief for additional lease contracts.

[EY IFRS Developments issue 189](#) provides a summary.

Our Applying IFRS publication "[Accounting for COVID-19 related rent concessions](#)" has been updated for this development.

## AASB news



### AASB Meeting - April 2021

The AASB discussed several financial reporting matters.

- NFP private sector financial reporting framework
- Insurance activities in the public sector
- Service concessions arrangements; Grantors
- Post implementation review of AASB10,11 and 12
- Intangible research

## IFRS news



### IASB Update - April 2021

The [summary](#) of the April IASB meeting and the [podcast](#) are now available. Key topics discussed;

- Goodwill and impairment
- Primary financial statements
- Financial instruments with equity characteristics
- Dynamic risk management



### IFRS Interpretations Committee Update - April 2021

The April 2021 IFRS IC Update is now available.

Key topics discussed;

- Attributing Benefit to Periods of Service (IAS 19)
- Classification of Debt with Covenants as Current or Non-current (IAS 1)
- Hedging Variability in Cash Flows due to Real Interest Rates (IFRS 9)



## The IASB's pilot approach for better communication-amendments to IFRS 13 and IAS 19

The IASB has set out a pilot approach for developing disclosure requirements that enable more effective materiality judgements, seeking to provide more useful information. It has tested this approach by [proposing amendments](#) to fair value measurements and employee benefits. The AASB is proposing similar changes. ([ED 309](#))

[EY IFRS Developments issue 188](#) provides a summary.



## Have you missed the IASB's webinars/webcasts?

Recordings of the following webinar/webcasts are now available.

- [Consultation on business combinations under common control](#)
- [Virtual workshop on Post-implementation Review of group accounting standards](#)



## Compilation of IFRIC Agenda Decisions- Volume 4

IFRIC agenda decisions published during October 2020 to March 2021, relating to IFRS 7, IAS 1, IAS 7 and IAS 38, have been compiled into a singular volume.

## EY Publications



## Has IFRS 16 impacted large IFRS reporters?

Our IFRS video "[Effects of implementation of IFRS 16 Leases for large entities](#)" discusses the main effects of first year implementation of IFRS 16 and how large IFRS reporters changed their disclosure of alternative performance measure (APMs) to address the financial statement impact.

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