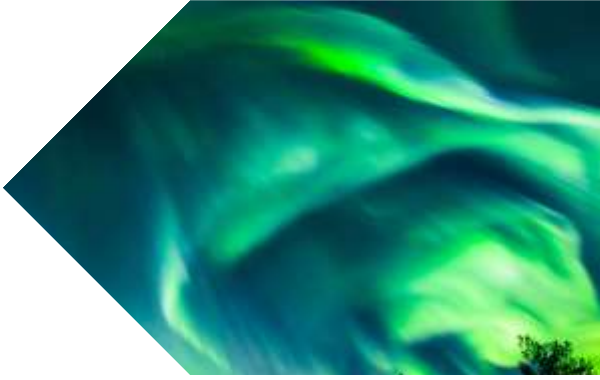
MOORE

APRIL 2025



IFRS IN BRIEF

IAS 8 Accounting Policies, Changes in Accounting Estimates, and Errors

SCOPE

This standard includes requirements on

- How to select and change accounting policies;
- How to account for changes in estimates; and
- How to correct prior period errors.

ACCOUNTING POLICIES

When an IFRS Accounting Standard specifically applies to the transaction or situation, the requirements of the IFRS Accounting Standard shall be applied.

When there is no applicable IFRS Accounting Standard applies to the transaction or situation, judgement is required to determine the appropriate accounting policy. Accounting Policies should be:

- Relevant
- Reliable
  - Faithly represent the financial position, performance and cashflows of the entity
  - Reflect the economic substance of the transaction or event
  - Be free from bias
  - Prudent
  - Complete

When determining accounting policies entities should consider the following sources in descending order

- Application requirements in similar IFRS Accounting Standards
- The Conceptual Framework for Financial Reporting
- Recent pronouncements of other standard setting bodies.

Accounting policies should be applied consistently over time for similar transactions, events and conditions.

Changes in Accounting policies
Accounting policies should only be changed if:

- An IFRS Accounting Standard requires it; or
- The change results in the financial statements being more reliable and relevant

It is not a change in accounting policy if:

- The application to transactions, events or conditions that differ in substance from those previously occurring; and
- New policy for new transactions, events or conditions, or those that were previously immaterial

Changes in accounting policies should be applied:

- On initial application of an IFRS Accounting Standard, in accordance with its specific transitional provisions; or otherwise
- Retrospectively

When applying a change retrospectively, the opening equity balances of the earlier prior period presented shall be restated and the relevant comparative amounts restated as if the policy had always applied.

If it is impractical to change an accounting policy retrospectively, the restatement shall be made at the earliest opening balance that it is practical to restate, which may be the start of the current period.

Disclosures
Whether a change in accounting policy is due to a new IFRS Accounting Standard or a voluntary change, information is required to be disclosed regarding how the entity transitioned to the new accounting policy and where applicable reconciliation to previously disclosed amounts. Financial statements of subsequent periods need not repeat these disclosures.

Entities are also required to disclose any standards issued but not yet effective that may have a material impact on them.

ACCOUNTING ESTIMATES

Accounting estimates are amounts in the financial statements that are subject to estimation uncertainty. Estimates involve judgements and use of assumptions using the latest available, reliable information.

Changes in Accounting Estimates
A change in estimate arises when new information, experiences or other developments arise.

A change in estimate is accounted for prospectively, either:

- In the current reporting period; or

in both the current and future reporting periods, if the change affects both
Disclosures
disclosure should be made of the nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods, except when it is impracticable to estimate the effect in a future period.

ERRORS

Material prior period errors should be corrected retrospectively by:

- Restating comparative periods
- Restating opening balances of assets, liabilities and equity if the error arose prior to the earliest comparative period presented.

Where it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of assets, liabilities and equity for the earliest period (which may be the current period).

When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable.

Disclosures
Disclosures should be made of each line item, including subtotals, in the financial statement impacted by the restatement, along with the impact on earnings per share is relevant.

Financial statements of subsequent periods need not repeat these disclosures.

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