2012

Technical Summary

IFRS 12 *Disclosure of Interests in Other Entities*

as issued at 1 January 2012. Includes IFRSs with an effective date after 1 January 2012 but not the IFRSs they will replace.

The objective of the IFRS is to require an entity to disclose information that enables users of its financial statements to evaluate:

(a) the nature of, and risks associated with, its interests in other entities; and
(b) the effects of those interests on its financial position, financial performance and cash flows.

The IFRS applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.

The IFRS establishes disclosure objectives according to which an entity discloses information that enables users of its financial statements

(a) to understand:
   (i) the significant judgements and assumptions (and changes to those judgements and assumptions) made in determining the nature of its interest in another entity or arrangement (ie control, joint control or significant influence), and in determining the type of joint arrangement in which it has an interest; and
   (ii) the interest that non-controlling interests have in the group's activities and cash flows; and

(b) to evaluate:
   (i) the nature and extent of significant restrictions on its ability to access or use assets, and settle liabilities, of the group;
   (ii) the nature of, and changes in, the risks associated with its interests in consolidated structured entities;
   (iii) the nature and extent of its interests in unconsolidated structured entities, and the nature of, and changes in, the risks associated with those interests;

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(iv) the nature, extent and financial effects of its interests in joint arrangements and associates, and the nature of the risks associated with those interests;

(v) the consequences of changes in a parent's ownership interest in a subsidiary that do not result in a loss of control; and

(vi) the consequences of losing control of a subsidiary during the reporting period.

The IFRS specifies minimum disclosures that an entity must provide. If the minimum disclosures required by the IFRS are not sufficient to meet the disclosure objective, an entity discloses whatever additional information is necessary to meet that objective.

The IFRS requires an entity to consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the requirements in the IFRS. An entity shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have different characteristics.

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