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Aperçu d’IFRS 8 *Secteurs opérationnels*

Août 2022

Résumé

L’équipe IFRS de Grant Thornton International a publié trois nouveaux documents dans la série *Insights into IFRS 8* (en anglais seulement) :

- *Segment Information to Be Disclosed;*
- *Entity-Wide Disclosures;*
- *Other Application Issues and Standards Involving Operating Segments.*

Pour les entités qui exercent leurs activités au sein de divers types d’entreprises, d’emplacements géographiques, d’environnements réglementaires, de contextes économiques ou de marchés, des comptes de gestion de haute qualité sont essentiels. Ils permettent à la direction de faire un suivi de la performance, d’affecter les ressources et d’élaborer des stratégies d’affaires et de marché. Pour une entité cotée en bourse, la norme IFRS 8 *Secteurs opérationnels* exige que la majeure partie de ces informations de gestion soient publiées à l’externe, afin que les investisseurs, les analystes et les autres utilisateurs des états financiers de cette entité puissent examiner les activités selon le même point de vue que la direction.

La série *Insights into IFRS 8* aborde les principales questions de mise en œuvre, fournit des indications en matière d’interprétation pour certains aspects problématiques et présente plusieurs exemples illustrant les exigences de la norme.

Les trois nouveaux documents de la série *Insights into IFRS 8* couvrent les sujets suivants :

- *Segment Information to Be Disclosed;*
- *Entity-Wide Disclosures;*
- *Other Application Issues and Standards Involving Operating Segments.*

Ressources

Les publications susmentionnées sont jointes au présent bulletin *Alerte de votre conseiller – IFRS*.

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Insights into IFRS 8

Segment information to be disclosed

Segment reporting is intended to give information to investors and stakeholders regarding the financial results and financial position of the entity that are used by the entity's chief operating decision maker (CODM). Given this, IFRS 8 'Operating Segments' provides the guidance to preparers on this area.

Our 'Insights into IFRS 8' series is designed to illustrate how IFRS 8 should be applied and it provides guidance and insight in some problematic areas. We also include several examples illustrating the Standard's disclosure requirements. This article sets out the segment information that needs to be disclosed in the consolidated financial statements of the reporting entity.

IFRS 8's 'management approach' has the effect that reportable segments and segment information will vary according to the information used by the CODM. As a result, disclosures will not be consistent between entities, even those operating in similar industries. It is therefore important users are provided with an explanation of how management have identified both the entity's CODM and its operating segments and how the information reported to the CODM reconciles to the primary financial statements.

The disclosures required in IFRS 8 include both narrative and quantitative information.

Disclosure of the factors used to identify segments

IFRS 8 requires an entity to disclose the following general information:

- factors used to identify the entity's reportable segments, including the basis of organisation, and
- types of products and services from which each reportable segment derives its revenues.

The factors disclosed under the first bullet point above provide the readers of the financial statements with information as to how management has organised the entity. These disclosures should clearly indicate whether segments are based on products and services, geographical areas, regulatory environments or a combination of factors. It should also indicate whether different operating segments have similar economic characteristics and have therefore been aggregated (see '**Insights into IFRS 8 – Aggregation of operating segments**'). IFRS 8 requires quantitative information to be disclosed using the amounts presented to the CODM. This will often be different to the amounts reported under IFRS appearing in the primary financial statements. Probably the most important judgement made in the application of IFRS 8 is the identity of the function of the CODM, as it is the information that is regularly used by the CODM that forms the basis for segmental reporting. In light of this, while not a formal disclosure requirement in IFRS 8, we believe it is good practice to disclose the individual or group identified as the CODM.

Quantitative information about profit or loss, assets and liabilities

The amounts disclosed for each segment item reflects what has been reported to the CODM. They should be the same amounts the CODM has used to allocate resources to the segment and assess its performance. These amounts will often be different from the measures used in the primary financial statements. Further disclosures are therefore needed to reconcile the segment measures to the primary statements (see reconciliation to IFRS primary financial statements below).

Although IFRS 8 generally requires disclosure on the basis of information used in the business, there are limited circumstances in which entities may need to obtain additional information to meet the requirements of IFRS 8 and they are set out below.

Measure of segment profit or loss

The IASB anticipate some sort of measure of segment profit or loss will be regularly reported to the CODM and so IFRS 8 requires an entity reports a measure of segment profit or loss in all cases.

In practice, the measure used by the CODM is likely to vary significantly between entities. Clear disclosure of the measurement basis used to prepare segment results will therefore be very important (see disclosure of measurement policies below).

Measure of segment assets

Where a measure of segment assets is reported to the CODM, that measure is required to be disclosed. In accordance with IFRS 8, the disclosure is based on what is reported to the CODM. If the internal reporting includes, say, cash, inventory and accounts receivables the sum of those three items is what needs to be disclosed.

IFRS 8 requires disclosure of a measure of segment assets. However, the IASB acknowledge, whilst a measure of segment profit or loss is expected in every entity's internal reporting, there may be circumstances where a measure of segment assets is not included. As a result, a measure of segment assets should only be disclosed when such information is provided to the CODM. This is consistent with the management approach and with the requirement for disclosure of a measure of segment liabilities only when such a measure is reported to the CODM (see below).

Measure of segment liabilities

IFRS 8 requires an entity reports a measure of liabilities for each reportable segment if, and only if, such an amount is regularly provided to the CODM.

Other specified segment measures

IFRS 8 requires disclosure of items when they are either included in the measure of segment profit or loss reviewed by the CODM or they are otherwise regularly provided. This means the management reports presented to the CODM must be reviewed to identify whether these items are either included as separately disclosed amounts or have been charged/credited in arriving at segment results. If so, they must be disclosed. The specified amounts to be disclosed in these circumstances are:

- revenues from external customers
- revenues from transactions with other operating segments of the same entity
- interest revenue
- interest expense
- depreciation and amortisation
- material items of income and expense disclosed in accordance with IAS 1 'Presentation of Financial Statements'
- the entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method
- income tax expense or income, and
- material non-cash items other than depreciation and amortisation.

An entity reports interest revenue separately from interest expense for each reportable segment unless a majority of the segment's revenues are from interest and the CODM relies primarily on net interest revenue to assess performance and make decisions. In that situation, an entity may report that segment's interest revenue net of its interest expense and disclose that it has done so.

Example 1 – Disclosure of depreciation and amortisation expense when the CODM uses EBITDA to assess segment results

The CODM evaluates the performance of the entity's segments based on earnings before interest, income taxes, depreciation and amortisation (EBITDA).

Included in the management reports reviewed by the CODM are summaries of depreciation and amortisation expense related to each of the segments, even though these amounts are not allocated within the segment results reported.

No allocations of interest or income taxes are made and only entity-wide amounts for these items are reported to the CODM.

Should the segment amounts for interest, income taxes, depreciation and amortisation be separately disclosed in accordance with IFRS 8?

Although in this example, depreciation and amortisation expense is not included in the measure of segment profit or loss that is reviewed by the CODM, such amounts are included in the information pack. Therefore, disclosure of depreciation and amortisation expense by each reportable segment is required.

However, as no segment analysis of interest or income taxes is provided to the CODM, no amounts for these items need be disclosed.

Disclosures for non-reportable segments

Information about other business activities and operating segments that are not separately reportable (after all preceding stages of aggregation and identification of reporting segments have been performed) is then combined and disclosed in an 'all other segments' category. A description of the sources of revenue included in this category is required by IFRS 8.

Disclosure of measurement policies

As noted in the quantitative information paragraphs above, IFRS 8 requires disclosure of segment information based on amounts reported to the CODM. Information used for internal management reporting purposes varies widely from entity to entity. For example, the CODM may use profit figures that exclude certain items such as reorganisation costs, non-recurring or unusual items and fair value changes. CODMs in some entities may rely primarily on cash flow-based results.

In developing IFRS 8, the International Accounting Standards Board (IASB) decided that the cost of reduced comparability of information between entities was outweighed by the benefits of increased relevance of the management approach. They also recognised that, in view of the diversity of disclosure bases that arises under a management approach, some explanation and reconciliation of the segmental information would be necessary.

In addition to a numerical reconciliation between the segment measures reported and those used in the primary financial statements (see reconciliation to IFRS primary financial statements below), IFRS 8 requires an entity to disclose an explanation that enables users to understand the basis on which segmental information is measured.

The explanation should cover as a minimum:

- The basis of accounting for transactions between reportable segments, including transfer pricing policies (eg market prices, cost, or cost-plus).
- The nature of the description of the measurement basis for each reported measure of segment profit or loss, segment assets and segment liabilities, in particular the nature of any differences between these measurements and those used for the entity's reported profit or loss before income tax expense or income and discontinued operations, or assets and liabilities in the entity's statement of financial position (unless apparent from the reconciliations described below).
- The nature of any changes from prior periods in the measurement methods used and the effect of the changes.
- The nature and effect of any asymmetrical allocations to reportable segments, for example an entity might allocate depreciation expense to a segment without allocating the related depreciable assets to the segment.

The numerical reconciliations described below may be sufficient to explain some of the more obvious reconciling items, such as inclusion of non-segment revenue from corporate functions that are not operating segments and exclusion of inter-segment revenue in the entity total. The narrative explanation described above may then focus on a description of other differences such as differences in accounting policies and policies for allocating centrally incurred costs or central assets and liabilities.

Reconciliation to IFRS primary financial statements

In addition to the narrative explanations described above, IFRS 8 requires disclosures to reconcile the segment items with the equivalent entity amounts.

Segment measures to be reconciled

IFRS 8 requires reconciliations of:

- the total of the reportable segments' revenues to the entity's revenue
- the total of the reportable segments' measures of profit or loss to the entity's profit or loss before tax expense (tax income) and discontinued operations. However, if an entity allocates to reportable segments items such as tax expense (tax income), the entity may reconcile the total of the segments' measures of profit or loss to the entity's profit or loss after those items
- the total of the reportable segments' assets to the entity's assets
- the total of the reportable segments' liabilities to the entity's liabilities (if segment liabilities are reported), and
- the total of the reportable segments' amounts for every other material item of information disclosed to the corresponding amount for the entity.

Examples of reconciling items include: conversion of segment information reported on a local GAAP basis for segments; inclusion of activities of corporate functions that are not identified as operating segments; and elimination of intra-segment amounts.

The actual amount of each material adjusting item should be disclosed as well as a description.

Amounts relating to the 'all other segments' category are disclosed separately from other reconciling items.

See our article '**Insights into 'IFRS 8 – Example disclosures of segmental information**' for example disclosures.

How we can help

We hope you find the information in this article helpful in giving you some insight into IFRS 8. If you would like to discuss any of the points raised, please speak to your usual Grant Thornton contact or visit **www.grantthornton.global/locations** to find your local member firm.

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Entity-wide disclosures

Generally, financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. IFRS 8 'Operating Segments' sets out these requirements and asks for reconciliations of total reportable segment revenues, total profit or loss, total assets, liabilities and other amounts disclosed for reportable segments to corresponding amounts in the entity's financial statements.

Our 'Insights into IFRS 8' series is designed to illustrate how IFRS 8 should be applied and it provides guidance and insight in some problematic areas. We also provide several examples illustrating the Standard's disclosure requirements. This article sets out the requirements for entity-wide disclosures.

IFRS 8 requires entities within its scope (including those entities with only one reportable segment) to make certain product and service and geographical disclosures for the entity as a whole rather than by reportable segment. These are referred to as entity-wide disclosures. Entity-wide disclosures are particularly useful when the segment disclosures do not otherwise include total revenues by product, service or revenue stream. This will be the case when different reportable segments sell the same product or service, and when reportable segments are not organised by geographic area. These disclosures are based on amounts incorporated in the consolidated primary financial statements rather than a management basis.

Exemptions from entity-wide disclosures

Before looking at the disclosures required in more detail, it is worth noting separate disclosure is not required if the information is otherwise provided as part of the reportable segment information.

Additionally, the entity-wide disclosures are not required where the necessary information is not available and the cost to develop it would be excessive. However, because the information is on an entity basis, it is not expected this exemption will be invoked often. Most entities are likely to collect and retain information about their geographical operations and products and services. If the exemption is taken, that fact must be disclosed.

Information about products and services

In addition to revenue-related disclosures required by other standards such as IFRS 15 'Revenue from Contracts with Customers', IFRS 8 requires entities to disclose the revenues from external customers for each product and service or each group of similar products and services. Revenues disclosed should be based on the financial information used to produce the entity's financial statements.

Information about geographical areas

Entities disclose the following geographical information, based on financial information used to produce the entity's financial statements:

- Revenues from external customers attributed to:
  - the entity's country of domicile, and
  - all foreign countries in total from which the entity derives revenues.
- The basis for attributing revenue from external customers to individual countries (see below).
- Non-current assets (see below), other than financial instruments, deferred tax assets, post employment benefit assets and rights arising under insurance contracts located in:
  - the entity's country of domicile
  - all other foreign countries in total in which the entity holds assets.
- If revenues attributable to and/or assets located in an individual foreign country are material those revenues and/or assets should be separately disclosed.

Sub-totals may be given on a voluntary basis for groups of countries.

Basis for attributing revenues to countries

IFRS 8 is not specific as to how revenues are attributed to individual countries, but does require disclosure of the basis for this attribution. Commonly used approaches include using the location of the customer or the country where the sale occurred but may be on any other reasonable basis.

Non-current assets

Non-current assets (as classified in accordance with IAS 1 'Presentation of Financial Statements') identified for the purpose of IFRS 8 disclosure include tangible and intangible assets, but exclude financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts. Where an entity classifies assets in its statement of financial position using a liquidity presentation, non-current assets are assets that include amounts expected to be recovered more than 12 months after the reporting date.

Information about major customers

IFRS 8 requires disclosure of an entity's reliance on its major customers. If revenues from transactions with a single external customer amount to 10% or more of an entity's revenues, the entity should disclose:

- that fact
- the total amount of revenues from each such customer, and
- the identity of the segment or segments that report the revenues.

There is no need to disclose the amount of revenues that each segment reports from that customer or customers or the identity of the customer(s).

For the purpose of this disclosure, a group of entities known by the reporting entity to be under common control should be considered to be a single customer.

See our article '**Insights into IFRS 8 – Example disclosures of segmental information**' for some examples of these disclosures.

How we can help

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Other application issues and Standards involving operating segments

High quality management accounts enable management to monitor performance, allocate resources and devise business and market strategies. Therefore, they are particularly important for entities that operate in a variety of classes of business, geographical locations, regulatory or economic environments or markets.

IFRS 8 'Operating Segments' sets out requirements for public listed entities to disclose most of this management information in their financial statements so investors, analysts and other users of entities' financial statements can review an entity's operations from the same perspective as management.

Our 'Insights into IFRS 8' series is designed to illustrate how IFRS 8 should be applied and it provides guidance and insight in some problematic areas. We also include several examples illustrating the Standard's requirements. This article sets out further application issues and information regarding other standards involving operating segments.

Further application issues

Management reports include more than one measure of segment results, assets or liabilities

As noted in our article '**Insights into IFRS 8 – Reportable segments**', the CODM sometimes uses more than one measure of profit, assets or liabilities. In these circumstances, the segment measures to be reported should be those that are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements. For example, if the CODM uses both net profit before tax, interest, depreciation and fair value changes, and also net profit before tax but after these items, the latter measure would be used for IFRS 8 purposes. The basis of measurement of this profit would also be disclosed (see '**Insights into IFRS 8 – Segment information to be disclosed**').

IFRS 8 sets out the minimum disclosure requirements and the basis of measurement for those disclosures. An entity may wish to disclose both measures, but it must be clear which is most consistent with the figures used in the primary financial statements. Each amount disclosed must be reconciled to the entity-wide figures (as described in Reconciliation to IFRS primary financial statements **Insights into IFRS 8 – Segment information to be disclosed**).

Ratios are reported to the CODM but not the underlying asset or liability amounts

In some entities, the CODM uses ratios derived from asset and liability balances (such as liquidity and working capital ratios) rather than the asset and liability amounts directly. This raises a question as to what asset or liability disclosures that are needed when this circumstance exists.

In our view, the ratio is not a measure of the underlying asset or liability amounts so the ratio does not need to be disclosed. Similarly, the underlying components of assets and liabilities do not need to be disclosed because this is not information used by the CODM.

Allocations of central costs and assets/liabilities

Centrally managed borrowings and interest costs may or may not be allocated to individual segments for the purpose of reporting to the CODM. Practices on allocation or non-allocation of other central costs, assets and liabilities also vary. IFRS 8 makes clear these types of items are allocated in the segment disclosures only if they are included in the measures reported to the CODM. However, there is an additional requirement that any such allocations to reported segment amounts should be made on a reasonable basis. In rare cases, this may lead to questions addressing situations in which allocations made for internal reporting needs are not 'reasonable'.

Adjustments to segment measures

Typically, adjustments are made to segment figures in preparing the entity's annual (and any interim) consolidated financial statements. These adjustments typically include the elimination of intra-segment transactions, the recognition of fair value changes and the correction of any errors in the segment amounts previously reported to the CODM. These items would normally not be adjusted for at the segment level but instead an adjustment would be made in total in order to reconcile the segment information with that reported for the consolidated entity as a whole.

Such adjustments are disclosed as reconciling items at this entity-wide level. Similar to central allocations, such adjustments are incorporated into the disclosed segment measures only if this is consistent with the reporting to the CODM.

Other Standards involving operating segments

Several other standards refer to segment information or the identification of segments in accordance with IFRS 8. In some circumstances, additional disclosures relating to segments are only required for entities within the scope of IFRS 8 (see '**Insights into IFRS 8 – IFRS 8 Principles in brief**'). However, in some situations, the requirements of other standards relating to segments apply to all entities, including those outside the scope of IFRS 8.

IAS 36 Impairment of Assets

IAS 36 'Impairment of Assets' requires goodwill acquired in a business combination to be allocated to the cash-generating units (CGUs) or groups of CGUs of the acquiring entity expected to benefit from the synergies of the combination. Each CGU (or group of CGUs) should not be larger than an operating segment determined in accordance with IFRS 8. Operating segments identified for the purpose of goodwill allocation are those defined by IFRS 8 before any aggregation is permitted. Consequently, all entities that have goodwill should consider whether their allocation to CGUs (or groups of CGUs) is consistent with this requirement.

Impact of segment structure on goodwill allocation

The segment structure acts as an upper limit on aggregation for goodwill allocation purposes and will not therefore affect impairment testing if goodwill is allocated at a lower level. For example, if an entity has allocated goodwill to individual CGUs which are smaller than segments (as defined in IFRS 8) the segment limit has no effect.

Prospective or retrospective application of changes to segments for impairment testing

If implementation of IFRS 8 requires a new or more detailed goodwill allocation, this raises the question as to whether this should be done retrospectively or prospectively.

We consider that the effect of IFRS 8 on goodwill impairment (if any) should be dealt with prospectively. We do not consider that testing goodwill at a lower level of allocation is a change of accounting policy. Rather, the accounting policy is the requirement for goodwill to be tested annually and carried at no more than its recoverable amount.

Additional impairment disclosures for entities within the scope of IFRS 8

In addition to the general impairment disclosures required by IAS 36, an entity within the scope of IFRS 8 gives additional segmental information relating to impairment.

- The entity discloses the amounts recognised in profit or loss and in other comprehensive income during the period for each reportable segment for the following items:
  - impairment losses, and
  - reversals of impairment losses.
- If an impairment loss on an individual asset (including goodwill) is recognised or reversed in the period and is material to the entity's financial statements as a whole, the reportable segment to which the asset belongs is disclosed.
- If the material impairment loss or reversal relates to a cash generating unit rather than individual asset, the entity should give a description of the unit (such as whether it is a product line, a plant, a business operation, a geographical area, or a reportable segment as defined in IFRS 8) and also disclose the amount of the impairment loss recognised or reversed by class of assets and by reportable segment.

IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'

IFRS 5 sets out the disclosure requirements where a non-current asset (or disposal group) has, during the period, either been classified as held for sale or has been sold. When the entity reports segmental information in accordance with IFRS 8, the entity shall disclose the reportable segment in which the non-current asset (or disposal group) classified as held for sale or sold is presented.

IFRS 6 'Exploration for and Evaluation of Mineral Resources'

IFRS 6 requires that an entity determines an accounting policy for allocating exploration and evaluation assets to cash-generating units or groups of cash-generating units for the purpose of assessing such assets for impairment.

Consistent with the requirements of IAS 36 discussed above, the cash-generating unit or group of units to which an exploration and evaluation asset is allocated is not larger than an operating segment determined in accordance with IFRS 8.

IAS 34 Interim Financial Statements

For entities within the scope of IFRS 8 (see '**Insights into IFRS 8 – Principles in brief**'), IAS 34 'Interim Financial Reporting' also requires segment disclosures in interim financial statements.

If an entity publishes an interim financial report in accordance with IAS 34, it may choose to present either a complete set or a condensed set of financial statements.

A complete set of financial statements published in an interim report conform to the requirements of IAS 1 'Presentation of Financial Statements', which requires compliance with all the requirements of IFRS. Consequently, if an entity presents a complete set of financial statements as interim financial statements, the full requirements of IFRS 8 described in our article '**Insights into IFRS 8 – Segment Information to be disclosed**'.

Alternatively, an entity may elect to present condensed financial statements and selected notes in its interim report. IAS 34 sets out the minimum contents of such condensed financial statements (see below) but does not prohibit or discourage entities from disclosing more than the minimum required. In some jurisdictions, additional items may be required to be disclosed but such local requirements are outside the scope of this article.

Similarly, some jurisdictions may have other interim requirements under local legislation that are not covered in this article, so careful consideration should be given as to how these IAS 34 requirement for segment reporting interact with local requirements.

Identification of reportable segments in interim periods

IAS 34 sets out the minimum segment information to be disclosed but does not discuss the identification of reportable segments in interim periods. This raises a question as to whether entities are required to apply the quantitative tests to their operating segments for each interim period when determining their reportable segments for the interim period?

Interim information is intended to be an update of the information that was presented in the most recent annual financial statements. Generally, therefore, an entity need not apply the quantitative tests in each interim period.

However, if facts and circumstances change that would suggest that application of the quantitative tests in an interim period would reveal a change in reportable segments, for example a change in the structure of an entity's internal organisation or a substantial change in the significance of a segment that is expected to persist at the next annual reporting date, then segment information should be provided based on the assessment of quantitative thresholds at the interim date. This conclusion is consistent with the basic principle of interim financial reporting in IAS 34, which states an entity should apply the same accounting policies in its interim financial statements as are applied in its annual financial statements, except for accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements.

The conclusion is also supported by the requirement in IAS 34 to disclose a description of any differences from the last annual financial statements in the basis of segmentation (refer to '**Insights into IFRS 8 – Interim financial statements**'). If a change in the reporting segments is recognised in the interim period, then comparative figures should be restated.

Minimum content of segment information in condensed interim financial statements

Entities should disclose the information listed below, as a minimum, in the notes to their condensed interim financial statements, if material and if not disclosed elsewhere in the interim financial report. The information is normally reported on a financial year-to-date basis, but the entity should also disclose any events or transactions that are material to an understanding of the current interim period. For example, if an entity reports on a quarterly basis the segment information for the second quarter should cover the six months of the financial year to date, but any significant events or transactions in the second quarter should be disclosed.

The following segment information should be disclosed:

- segment external revenues, if included in the measure of segment profit or loss reviewed by the chief operating decision maker (CODM) or otherwise regularly provided to the CODM
- inter-segment revenues if included in the measure of profit or loss reviewed by the CODM or otherwise provided to the CODM
- a measure of segment profit or loss
- total assets for which there has been a material change from the amount disclosed in the last annual financial statements
- a description of any differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss, and
- a reconciliation of the total reportable segments' measure of profit or loss to the entity's profit or loss before tax and discontinued operations; unless the entity allocates tax or discontinued operations to segments, in which case the reconciliation is to the entity's profit after such items. The reconciliation should identify and describe separately each material reconciling item.

IAS 7 Statement of Cash Flows

In addition to the disclosure of material non-cash items required by IFRS 8 (see '**Insights into IFRS 8 – Segment information to be disclosed**'), IAS 7 'Statement of Cash Flows' encourages, but does not mandate, disclosure of additional cash flow information for entities reporting in accordance with IFRS 8.

IAS 7 notes that additional information about cash flows may be relevant to users in understanding the financial position and liquidity of an entity. Disclosure of this information, together with a commentary by management, is encouraged. The additional information to be disclosed may include the amount of cash flows arising from the operating, investing and financing activities of each segment reported in accordance with IFRS 8.

As disclosure of this information is encouraged rather than required, the extent of the disclosure varies widely. We suggest that if it is included it should reflect the segment information presented to management and need not be specifically generated for the purpose of this disclosure (consistent with the management approach of IFRS 8).

How we can help

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