A1. Amendments to IAS 19 *Employee Benefits*: Plan Amendment, Curtailment or Settlement

CHAPTER SIX

Employee benefits

6.4 POST-EMPLOYMENT BENEFITS

6.4.3 Defined Benefit Plans

Accounting requirements

…

Estimating the cost to the authority of the benefit that employees have earned in return for their service in the current and prior periods

6.4.3.3 Actuarial techniques are used to:

a) Make a reliable estimate of the ultimate cost to the authority of the benefit that employees have earned in return for their service in the current and prior periods. This requires an authority to determine how much benefit is attributable to the current and prior periods (see b) below) and to make estimates (actuarial assumptions) about demographic variables (such as employee turnover, expected early retirement where the employee has the right under the plan rules and mortality) and financial variables (such as future increases in salaries) that will affect the cost of the benefit.

b) Determine how much benefit is attributable to the current and prior periods. Benefits shall be attributed to periods of service in accordance with a plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, benefit shall be attributed on a straight-line basis until the date when further service by the employee will lead to no material amount of further benefits.

6.4.3.4 Actuarial assumptions shall be unbiased and mutually compatible. They are unbiased if they are neither imprudent nor excessively conservative. Financial assumptions shall normally be based on market expectations, at the end of the reporting period, for the period over which the obligations are to be settled.

6.4.3.5 Where however a plan amendment, curtailment or settlement occurs during the reporting period the amended assumptions, as used for the remeasurement of the net defined benefit liability (asset), will be applied in relation to the benefits for the remainder of the reporting period.

6.4.3.~~5~~6 Where a benefit does not vest immediately (eg because of a qualifying period of service), the probability that some employees may not satisfy the vesting conditions and not become entitled to the benefit shall be taken into account in measuring the pension obligation.

Discounting the benefit to determine the present value of the defined benefit obligation and current service cost

6.4.3.~~6~~7 The projected unit credit method shall be used to determine the present value of an authority's defined benefit obligation and the related current service cost and, where applicable, past service cost. This method views each period of service as giving rise to an additional unit of benefit entitlement, with each unit being measured separately to build up the obligation.

6.4.3.8~~7~~ The rate used to discount post-employment benefit obligations shall be determined by reference to market yields at the end of the reporting period on high quality corporate bonds, unless paragraph 6.4.3.5 applies. The currency and term of the corporate bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations

…

Past service cost and gains and losses on settlement

6.4.3.~~12~~13 An authority need not distinguish between past service cost resulting from a plan amendment, past service cost resulting from a curtailment and a gain or loss on settlement if these transactions occur together.

6.4.3.~~13~~14 ~~Before~~ When determining past service cost, or a gain or loss on settlement, an authority shall remeasure the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions (including current market interest rates and other current market prices) reflecting:

a) the benefits offered under the plan before the plan amendment, curtailment or settlement.

b) the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement.

6.4.3.~~14~~15 A settlement occurs together with a plan amendment and curtailment if a plan is terminated with the result that the obligation is settled and the plan ceases to exist.

However, the termination of a plan is not a settlement if the plan is replaced by a new plan that offers benefits that are, in substance, the same.

6.4.3.16 In measuring past service cost, or a gain or loss on settlement, as a result of a plan amendment, curtailment or settlement an authority shall not consider the effect of the asset ceiling. An authority shall determine the effect of the asset ceiling after the plan amendment, curtailment or settlement.

…

Net interest on the net defined benefit liability (asset)

6.4.3.~~29~~31 Net interest on the net defined benefit liability (asset) shall be determined by multiplying the net defined benefit liability (asset) by the discount rate specified in paragraph 6.4.3.7, both as determined at the start of the annual reporting period. If, however, an authority has remeasured the net defined benefit liability (asset) as required by paragraph 6.4.3.14 it shall, in relation to the remainder of the reporting period:

a) use the net defined benefit liability (asset) determined in applying paragraph 6.4.3.14

b) use the discount rate used to remeasure the net defined liability (asset) in applying paragraph 6.4.3.14

The authority shall also take account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

~~, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.~~

6.4.3.~~30~~32 Net interest on the net defined benefit liability (asset) can be viewed as comprising interest income on plan assets, interest cost on the defined benefit obligation and interest on the effect of the asset ceiling referred to in paragraph 64 of IAS 19.

6.4.3.~~31~~33 Interest income on plan assets is a component of the return on plan assets, and is determined by multiplying the fair value of the plan assets by the discount rate specified in paragraph 6.4.3.~~7~~8.~~,~~ An authority shall ~~both as~~ determine~~d~~ the fair value of the plan assets at the start of the annual reporting period~~,~~. However, if an authority remeasures the net defined benefit liability (asset) in accordance with paragraph 6.4.3.14, the authority shall determine interest income for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the plan assets used to remeasure the net defined benefit liability (asset) in accordance with paragraph 6.4.3.14 b). In applying this paragraph the authority shall also take into account any changes in the plan assets held during the period resulting from contributions or benefit payments.~~taking account of any changes in the plan assets held during the period as a result of contributions and benefit payments~~. The difference between the interest income on plan assets and the return on plan assets is included in the remeasurement of the net defined benefit liability (asset).

6.4.3.~~32~~34 Where plan assets and liabilities are subject to an asset ceiling, interest on the effect of the asset ceiling should be determined in accordance with the requirements of paragraph 126 of IAS 19.

6.4.4 Changes since the ~~2017~~2018/~~18~~ 19 Code

6.4.4.1 ~~There~~ The ~~have been no changes to the~~ Post-employment Benefits section of the Code ~~since the 2017/18 Code~~ has been updated for the amendments to IAS 19, Plan Amendment, Curtailment or Settlement.

6.5 ACCOUNTING AND REPORTING BY PENSION FUNDS

ANNEX TO SECTION 6.5

Table: Overview of Application of other Sections of the Code to Pension Fund Statements*

A.6.5.1 This table is intended to assist local authorities in preparing their pension fund statements by identifying the other sections of the Code which apply to them. Local authorities should ensure that they are content that they have identified all the material transactions that might occur and consider the relevant sections of the Code that apply to them. Local authorities should also refer to each section to ensure that they comply with the specific requirements of that section.

Section or Chapter of the Code	Commentary on the Substantial Areas of Application for Local Authority Pension Funds
Appendix A: IFRSs with Limited Application to Local Authorities	▪ IAS 12 *Income Taxes* (as amended), ~~and~~ SIC 25 *Income Taxes – Changes in the Tax Status of an Entity or its Shareholders* and IFRIC 23 *Uncertainty over Income Tax Treatments* relate to taxes on an entity's income (for example, corporation tax) and may apply to pension funds. ▪ IAS 21 *The Effects of Changes in Foreign Exchange Rates* and IFRIC 22 *Foreign Currency Transactions and Advance Consideration* ~~relates~~ relate to accounting for exchange rates and exchange rate movements and will to apply to pension funds.

A2. Amendments to IFRS 9 Financial Instruments: Prepayment Features with Negative Compensation

CHAPTER SEVEN
Financial instruments

7.1 INTRODUCTION, SCOPE, DEFINITIONS, RECOGNITION, DERECOGNITION, CLASSIFICATION, INITIAL MEASUREMENT, DERIVATIVES AND EMBEDDED DERIVATIVES AND HEDGE ACCOUNTING

7.1.5 Classification of Financial Instruments

Classification of financial assets

…

Option to designate a financial asset at fair value through profit or loss

7.1.5.6 The criterion for designating a financial asset at fair value through profit or loss (ie a measurement or recognition inconsistency referred to in IFRS 9) is unlikely to occur for the majority of local authorities. Where such inconsistencies do occur and a local authority considers that it is necessary to designate a financial asset at fair value through profit or loss it should refer to IFRS 9 paragraph 4.1.5.

…

Option to designate a financial liability at fair value through profit or loss

7.1.5.8 The criteria for designating a financial liability at fair value through profit or loss referred to in IFRS 9 paragraph 4.2.2 – ie i) a measurement or recognition inconsistency or ii) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy – are unlikely to occur for the majority of local authorities. Where such inconsistencies or circumstances do occur and a local authority considers that it is necessary to designate a financial liability at fair value through profit or loss it should refer to IFRS 9 paragraph 4.2.2.

Investments in equity instruments

7.1.5.9 At initial recognition, an authority may make an irrevocable election to present in Other Comprehensive Income and Expenditure subsequent changes in the fair value of an investment in an equity instrument within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies. These equity instruments shall be described as being designated to fair value through other comprehensive income.

Transitional Reporting Requirements Amendments to IFRS 9 Prepayment Features with Negative Compensation[1]

7.1.5.10 As noted in paragraphs 7.1.5.6 and 7.1.5.8 above it is unlikely that an authority has previously designated a financial asset or a financial liability at fair value through profit or loss. In the extremely rare circumstances that this has taken place the authority shall revoke a previous designation of a financial asset or financial liability at fair value through profit or loss where the criteria in paragraph 7.2.32 a) in the case of a financial asset or 7.2.32 c) in the case of a financial liability of IFRS 9 are met. An authority may designate a financial asset or a financial liability at fair value through profit or loss where the criteria in paragraph 7.2.32 b) for a financial asset or 7.2.32 d) for a financial liability of IFRS 9 are met. Where such a change in designation is made the transition arrangements and disclosures specified in IFRS 9 paragraphs 7.2.29 to 7.2.34 shall be applied.

7.1.12 Changes since the ~~2017~~2018/~~18~~ 19 Code

7.1.12.1 ~~Section 7.1 has been fully revised to reflect the introduction of IFRS 9 *Financial Instruments*~~ Section 7.1 has been updated as a result of the adoption of the amendments to IFRS 9 Prepayment Features with Negative Compensation.

[1] See IFRS 9 paragraphs 7.1.7 and 7.2.29 to 7.2.2.34 for the transitional provisions on the application of the IFRS 9 amendments. For the application guidance in relation to the treatment of financial assets with prepayment features see paragraphs B4.1.10 to B4.1.12A.

A4. Annual Improvements to IFRS Standards 2014-2016 Cycle

CHAPTER NINE
Group accounts

9.1 GROUP ACCOUNTS

9.1.1 Introduction

9.1.1.1 Authorities shall account for Group Accounts in accordance with IFRS 3 *Business Combinations*, IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*, IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (as amended in 2011), except where adaptations to fit the public sector are detailed in the Code.

9.1.1.2 IPSAS 34 *Separate Financial Statements*, IPSAS 35 *Consolidated Financial Statements*, IPSAS 36 *Investments in Associates and Joint Ventures*, IPSAS 37 *Joint Arrangements* and IPSAS 38 *Disclosure of Interests in Other Entities* are based on IAS 27, IFRS 10, IAS 28, IFRS 11 and IFRS 12, respectively and provide additional guidance for public sector bodies.

Adaptation, interpretation and application for the public sector context

9.1.1.3 The following adaptation of IFRS 10 and of IAS 28 for the public sector context applies:

- Where an authority has investments in associates and/or interests in joint ventures but no interests in subsidiaries, Group Accounts that include these interests in associates and joint ventures shall still be prepared (see paragraph 9.1.2.42).

9.1.1.4 The following interpretation of IAS 27 for the public sector context applies:

- Where an authority has investments in subsidiaries, associates or interests in joint ventures the option to equity account in the separate financial statements (known as single entity financial statements in the Code) is withdrawn.

9.1.1.5 The following adaptation of IFRS 3 for the public sector context applies:

- Combinations of public sector bodies (ie local government reorganisation and other transfers of function from one public sector body to another) are deemed to be combinations of businesses under common control and as such are excluded from the scope of this section of the Code. For the accounting treatment of combinations of public sector bodies see section 2.5 of the Code.

9.1.1.6 Local authority pension funds shall not be considered for consolidation in Group Accounts (see section 6.4 of the Code). Authorities in Scotland should consider the consolidation of Common Goods Fund within Group Accounts.

9.1.1.7 Authorities with interests in subsidiaries, associates and/or joint ventures shall prepare Group Accounts in addition to their single entity financial statements, unless their interest is considered not material.

9.1.1.8 Where Group Accounts are required, authorities shall produce the financial statements as set out in section 3.4 of the Code and the disclosures, as required by paragraphs 9.1.4.1 to 9.1.4.31.

9.1.1.9 The accounting for business combinations (ie subsidiaries and associates) covered by this section of the Code does not apply to the formation of a joint venture, the acquisition of an asset or a group of assets that does not constitute a business[2] and a combination of entities or businesses under common control (ie the combination of two or more public sector bodies into one new body, or the transfer of functions from the responsibility of one part of the public sector to another). Merger accounting should be applied where the entity in which the interest has been acquired was 100% in public sector ownership both before and after acquisition by the local authority.

9.1.1.10 The disclosure requirements of paragraphs 9.1.4.1 to 9.1.4.31 of this chapter shall be applied by a reporting authority, as appropriate, that has an interest in any of the following:

a) subsidiaries

b) joint arrangements (ie joint operations or joint ventures)

c) associates

d) unconsolidated structured entities.

9.1.1.11 Except as described in paragraph B17 of IFRS 12, the disclosure requirements in this Section of the Code apply to an authority's interests listed in paragraph 9.1.1.10 that are classified (or included in a disposal group that is classified) as held for sale or discontinued operations in accordance with section 4.9 of the Code and IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

9.1.1.~~11~~12 The disclosure requirements of paragraphs 9.1.4.1 to 9.1.4.31 of this chapter do

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2 An integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic or service benefits directly to investors or other owners, members or participants.

not include the following:

a) Post-employment benefit plans or other long-term employee benefit plans to which IAS 19 *Employee Benefits* applies.

b) An authority's single entity financial statements. However, if a reporting authority has interests in unconsolidated structured entities and prepares single entity financial statements as its only financial statements, it shall apply the requirements in paragraphs 9.1.4.24 to 9.1.4.31 of this chapter when preparing those single entity financial statements.

c) An interest held by a reporting authority that participates in, but does not have joint control of, a joint arrangement unless that interest results in significant influence over the arrangement or is an interest in a structured entity.

d) An interest in another entity that is accounted for in accordance with chapter seven. However, a reporting authority shall apply the disclosures in paragraphs 9.1.4.1 to 9.1.4.31 of this chapter:

   i) when that interest is an interest in an associate or a joint venture that, in accordance with IAS 28 *Investments in Associates and Joint Ventures*, is measured at fair value through profit or loss, or

   ii) when that interest is an interest in an unconsolidated structured entity.

9.1.4 Disclosure Requirements

9.1.4.31 A reporting authority shall disclose any current intentions to provide financial or other support to an unconsolidated structured entity, including intentions to assist the structured entity in obtaining financial support.

Transition for Scope Disclosure Amendments

9.1.4.32 An authority shall apply the scope disclosure amendments introduced to the Code by paragraph 9.1.1.11 and by the amended paragraph B17 of IFRS 12 (in accordance with *Annual Improvements to IFRS Standards 2014-2016 Cycle*) retrospectively in accordance with section 3.3 of and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* from 1 April 2019.

Business combinations

9.1.4.~~32~~33 An acquirer (ie reporting authority) shall disclose information that enables users of its financial statements to evaluate the nature and financial effect of business combinations that were effected:

a) during the period

b) after the Balance Sheet date but before the financial statements are authorised for issue (see section 3.8 of the Code).

To meet the disclosure requirements in 9.1.4.~~32~~ 33 above, the acquirer shall refer to paragraphs B64 to B66 of IFRS 3.

9.1.4.~~33~~34 An acquirer (ie reporting authority) shall disclose information that enables users of its financial statements to evaluate the financial effects of adjustments recognised in the current period that relate to business combinations that occurred in the period or in previous reporting periods.

To meet the disclosure requirements in 9.1.4.33 above, the acquirer shall refer to paragraph B67 of IFRS 3.

9.1.6 Changes since the ~~2017~~2018/~~18~~ 19 Code

9.1.6.1 The Group Accounts Chapter of the Code has been amended to include the scope clarifications for the disclosure requirements with respect to interests in entities within the scope of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* introduced by the *Annual Improvements to IFRSs 2014 to 2016 Cycle*.~~There have been no changes to the Group Accounts chapter of the Code since the 2017/18 Code~~.

A7. and A8. IFRS Interpretations

APPENDIX A
IFRSs with limited application to local authorities

A.1 INTRODUCTION

A.1.1 A small number of IFRSs are only expected to apply to local authorities in limited circumstances. As such, the Code does not include detailed accounting requirements for these IFRSs. Where an IFRS is relevant to a local authority, the authority shall comply with the requirements of the relevant IFRS. The standards not covered in detail in the Code are:

A.1.2 IAS 12 *Income Taxes (as amended)*, ~~and~~ SIC 25 *Income Taxes – Changes in the Tax Status of an Entity or its Shareholders* and IFRIC 23 *Uncertainty over Income Tax Treatments* relate to taxes on an entity's income (for example, corporation tax). They do not relate to accounting for VAT, council tax or non-domestic rates, which are covered elsewhere in the Code. IAS 12 is not expected to be relevant to an authority's single entity financial statements. Group entities will account for their own tax; however, a consolidation adjustment may be required in the Group Accounts where group entities have accounted for tax under UK GAAP. This standard was amended in December 2010 by *Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)*.

A.1.3 IAS 21 *The Effects of Changes in Foreign Exchange Rates* relates to accounting for exchange rates and exchange rate movements. *IFRIC 22 Foreign Currency Transactions and Advance Consideration* provides clarification of the application of IAS 21. IPSAS 4 provides additional guidance for the public sector. Where local authorities have foreign currency transactions, they shall use the spot exchange rate at the date of the transaction to record the transaction in pounds sterling. For more complex foreign currency transactions, authorities shall refer to IAS 21.

A.1.4 IAS 29 *Financial Reporting in Hyperinflationary Economies* and IFRIC 7 *Applying the Restatement Approach under IAS 29* relate to financial reporting in hyperinflationary economies. IPSAS 10 provides additional guidance for the public sector. These standards are not expected to be relevant to local authorities.

A1.5 IAS 41 *Agriculture* sets out the accounting requirements for agricultural activities undertaken for commercial gain. IPSAS 27 provides additional guidance for the public sector. Biological assets that are not held for agricultural activity (eg trees in public parks; police horses and police dogs; and the management of biological assets held for research, experimental and public recreation purposes, including breeding for the preservation of species and raising in game parks and zoos) are not subject to the requirements of IAS 41. Where material, these assets shall be accounted for in accordance with IAS 16 *Property, Plant and Equipment*.

A1.6 IFRS 2 *Share-based Payment* sets out the accounting requirements for payments that are made by the transfer of equity instruments. IFRS 2 will only apply to local authorities in the rare circumstance that they transfer shares or other equity instruments in a subsidiary or associate in return for goods or services received.

A1.7 IFRS 4 *Insurance Contracts* specifies the financial reporting for insurance contracts by an entity that issues such contracts. The standard does not cover insurance contracts held by a policyholder. A number of transactions such as giving a financial guarantee and product or service warranties are outside the scope of IFRS 4.

A1.8 IFRS 6 *Exploration for and Evaluation of Mineral Resources* specifies the accounting requirements for expenditure incurred while an entity is exploring for and evaluating mineral resources; it does not apply after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. This standard is not expected to be relevant to local authorities.

Adaptation for the public sector context

A1.9 The following adaptations apply to IFRSs covered by this section of the Code:

A1.10 IAS 21 *The Effects of Changes in Foreign Exchange Rates*: local authorities are required to account for transactions in pounds sterling, and to present their financial statements in pounds sterling. The alternative approaches available in IAS 21 are not permitted by the Code.

A1.11 IAS 29 *Financial Reporting in Hyperinflationary Economies*: HM Treasury will notify classification of the UK economy as hyperinflationary for the purposes of IAS 29 if appropriate.

A.2 ACCOUNTING REQUIREMENTS

A2.1 Where material, authorities shall account for assets, liabilities, income and expenses in accordance with the relevant standards.

A.3 STATUTORY ACCOUNTING REQUIREMENTS

A.3.1 There are no statutory accounting requirements in relation to transactions covered by this section of the Code.

A.4 DISCLOSURE REQUIREMENTS

A.4.1 Where material, authorities shall disclose the information required by the relevant standards.

A.5 STATUTORY DISCLOSURE REQUIREMENTS

A.5.1 There are no statutory disclosure requirements in relation to transactions covered by this section of the Code.

A.6 CHANGES SINCE THE ~~2017~~2018/~~18~~ 19 CODE

A.6.1 ~~There have been no changes to this~~This section of the Code ~~since the 2017/18 Code.~~has been amended to include the adoption of IFRICs 22 and 23.

APPENDIX C

Changes in accounting policies: disclosures in the ~~2017~~2018/~~18~~ 19 and ~~2018~~2019/~~19~~20 financial statements

C.1 INTRODUCTION

C.1.1 Paragraph 3.3.2.13 of the Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. In addition, paragraph 3.3.4.3 requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

C.1.2 A complete set of financial statements is defined in paragraph 3.4.2.17 of the Code. This includes a Balance Sheet as at the beginning of the preceding period (ie a third Balance Sheet) when an authority applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

C.1.3 This appendix sets out the additional disclosures that will be required in the ~~2017~~2018/~~18~~ 19 and ~~2018~~2019/~~19~~ 20 financial statements in respect of accounting changes that are introduced by the ~~2018~~2019/~~19~~ 20 Code.

C.2 DISCLOSURES REQUIRED IN THE ~~2017~~2018/~~18~~ 19 AND ~~2018~~2019/~~19~~ 20 FINANCIAL STATEMENTS

~~2017~~2018/~~18~~19

C.2.1 An authority shall disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. An authority shall provide known or reasonably estimable information relevant to assessing the possible impact that application of the new IFRS will have on the authority's financial statements including the group statements in the period of initial application. This requirement applies to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (ie on or before 1 January ~~2018~~ 2019 for ~~2018~~2019/~~19~~20). For this disclosure the standards introduced by the 2018/19 Code include:

a) IFRS ~~9~~ 16 ~~*Financial Instruments*~~*Leases*

b) Amendments to IAS 40 *Investment Property*: Transfers of Investment Property~~IFRS 15 *Revenue from Contracts with Customers* including amendments to IFRS 15 and Clarifications to IFRS 15 *Revenue from Contracts with Customers*~~

c) *Annual Improvements to IFRS Standards 2014 - 2016 Cycle* ~~Amendments to IAS 12 *Income Taxes*: Recognition of Deferred Tax Assets for Unrealised Losses~~

d) IFRIC 22 *Foreign Currency Transactions and Advance Consideration*

e) IFRIC 23 *Uncertainty over Income Tax Treatments* ~~Amendments to IAS 7 *Statement of Cash Flows*: Disclosure Initiative~~.

f) Amendments to IFRS 9 *Financial Instruments*: Prepayment Features with Negative Compensation

g) Amendments to IAS 28 *Investments in Associates and Joint Ventures*: Long-term Interests in Associates and Joint Ventures

h) *Annual Improvements to IFRS Standards 2015 - 17 Cycle*

i) Amendments to IAS 19 *Employee Benefits*: Plan Amendment, Curtailment or Settlement.

C2.2 In complying with paragraph C2.1, an authority considers disclosing:

a) the title of the new IFRS, indicating that it has been adopted by this Code

b) the nature of the impending change or changes in accounting policy

c) the date by which application of the IFRS, as adopted by this Code, is required (ie 1 April ~~2018~~2019)

d) the date as at which the authority will adopt the IFRS initially (ie 1 April ~~2018~~2019), and

e) either:

   i) a discussion of the impact that initial application of the IFRS as adopted by this Code is expected to have on the authority's financial statements (note as there is no requirement to restate preceding year financial information for ~~IFRS 9 and IFRS 15~~IFRS 16 there is no requirement to provide information relating to the ~~2017~~2018/~~18~~19 financial year in the ~~2017~~2018/~~18~~ 19 financial statements), or

ii) if that impact is not known or reasonably estimable, a statement to that effect.

~~2018~~2019/~~19~~20

C2.3 The adoption of C2.1 a) ~~and b)~~ follows the transitional reporting requirements in ~~chapter seven (section 7.4) and section 2.7 respectively~~section 4.2 – ~~neither set of the~~ transitional arrangements ~~requires the publication~~do not require the publication of a third balance sheet.

C2.4 The following amendments to the Code may be made retrospectively by prior period restatement, only in specified cases if that is possible without the benefit of hindsight, or through the adjustment of opening balances as at 1 April 2019, in accordance with the requirements of the relevant amendments to standards:

- C.2.1b) –Amendments to IAS 40 *Investment Property*: Transfers of Investment Property
- C.2.1d) – IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (note that the amendments also allow for prospective application)
- C.2.1e) – IFRIC 23 *Uncertainty over Income Tax Treatments*, and
- C.2.1 f) – Amendments to IFRS 9 *Financial Instruments*: Prepayment Features with Negative Compensation
- C.2.1 g) – Amendments to IAS *28 Investments in Associates and Joint Ventures*: Long-term Interests in Associates and Joint Ventures.

~~adoption of C2.1 d) will not require the publication of a third balance sheet~~.

C2.5 The adoption of amendments to Annual Improvements to IFRS Standards 2014-2016 Cycle above is made retrospectively in accordance with Section 3.3 of the Code.

~~The adoption of C2.1 c) represents a change of accounting policy that may require the publication of a restated Balance Sheet as at the beginning of the preceding period (ie a third Balance Sheet) in the 2018/19 group financial statements where the changes brought about by the amendments to this standard are material. In addition to the possible presentation of the third Balance Sheet, the authority is required to:~~

~~a) include narrative description that the change in accounting policy is as a result of the Code's adoption of the amendments to the standard in question~~

~~b) set out the nature of the change of the accounting policy~~

~~c) set out for the current period and the previous period, the amount of the adjustment to each line item in the financial statements affected, to the extent practicable, and~~

~~d) set out the amount of the adjustments relating to the prior period before the periods presented, to the extent practicable.~~

C.2.6 The adoption of the following amendments to IFRS are made prospectively from 1 April 2019 in accordance with the requirements of the standards:

a) C.2.1 i) – Amendments to IAS 19 *Employee Benefits*: Plan Amendment, Curtailment or Settlement – note that disclosures are required regarding adjustments made as at 1 April 2019.

b) C.2.1 e) - *Annual Improvements to IFRS Standards 2015 - 17 Cycle* to the narrow scope amendments ie IFRS 3 *Business Combinations*, IFRS 11 *Joint Arrangements*, IAS 12 *Income Taxes* and IAS 23 *Borrowing Costs*.

Other Changes

C.2.6 Other changes adopted in the 201~~8~~9/~~19~~ 20 Code are not expected to require additional disclosure in the ~~2017~~2018/~~18~~19 or ~~2018~~2019/~~19~~ 20 financial statements. Some changes to the Code relate to changes in circumstances. Other changes clarify the requirements of the Code or provide additional guidance, but do not change the requirements of the Code.

C.2.7 In some cases, the Code refers to accounting standards, but does not incorporate their requirements directly. If an authority is relying on the requirements of the underlying standards, and these have changed, the authority shall make such disclosures as are required to meet the requirements of paragraph 3.3.4.3 of the Code in the ~~2017~~2018/~~18~~19 financial statements, and shall consider whether the changes will require the publication of a Balance Sheet as at the beginning of the preceding period (ie a third Balance Sheet) in the ~~2018~~2019/~~19~~20 financial statements.

APPENDIX D

New or amended standards introduced to the ~~2018~~2019/~~19~~ 20 Code

D.1 LISTING OF NEW OR AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS OR INTERNATIONAL ACCOUNTING STANDARDS INTRODUCED TO THE ~~2018~~2019/~~19~~ 20 CODE

D.1.1 IFRS ~~9~~ 16 Leases ~~*Financial Instruments*~~ (issued ~~July~~ January ~~2014~~2016).

D.1.2 Amendments to IAS 40 *Investment Property*: Transfers of Investment Property (issued December 2016).~~IFRS 15 *Revenue from Contracts with Customers* (issued May 2014).~~

D.1.3 *Annual Improvements to IFRS Standards 2014-2016 Cycle* (December 2016). ~~Amendments to IFRS 15: Clarifications to IFRS 15 *Revenue from Contracts with Customers* (issued April 2016).~~

D.1.4 IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (issued December 2016). ~~Amendments to IAS 12 *Income Taxes*: Recognition of Deferred Tax Assets for Unrealised Losses (issued January 2016).~~

D.1.5 IFRIC 23 *Uncertainty over Income Tax Treatments* (issued June 2017).

D.1.6 Amendments to IFRS 9 *Financial Instruments*: Prepayment Features with Negative Compensation (issued October 2017).~~Amendments to IAS 7 *Statement of Cash Flows*: Disclosure Initiative (issued January 2016).~~

D.1.7 Amendments to IAS 28 *Investments in Associates and Joint Ventures*: Long-term Interests in Associates and Joint Ventures (issued October 2017)

D.1.8 *Annual Improvements to IFRS Standards 2015 - 17 Cycle* (issued December 2017).

D.1.9 Amendments to IAS 19 *Employee Benefits*: Plan Amendment, Curtailment or Settlement (February 2018).