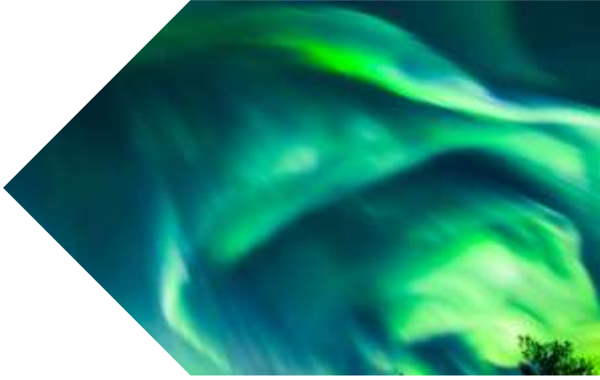

APRIL 2025

IFRS IN BRIEF

IFRS 1 *First-time Adoption of International Financial Reporting Standards*

SCOPE

IFRS 1 applies only to an entity's:

- First set of IFRS financial statements in which an entity adopts IFRSs by an explicit and unreserved statement of compliance with IFRS Accounting Standards.
- Each interim financial report prepared in accordance with IAS 34 *Interim Financial Reporting* for part of the period covered by the first set of IFRS financial statements.

IFRS 1 does not apply to entities that are already reporting under IFRS Accounting Standards.

If an entity applied IFRS in previous periods, but its latest set of financial statements did not include an explicit and unreserved statement of compliance with IFRS Accounting Standards, entities either apply IFRS 1 or apply IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* as if the entity has never stopped applying IFRS Accounting Standards.

DATE OF TRANSITION

This is the beginning of the earliest comparative period presented in an entity's first IFRS financial statements.

All comparative periods presented in the first IFRS financial statements should be prepared with the consistent application of IFRS Accounting Standards.

RECOGNITION AND MEASUREMENT

Except as noted below, in the entity's opening IFRS financial statement (at the date of transition), entities shall:

- Recognise all assets and liabilities as required by IFRS Accounting Standards
- Not recognise assets and liabilities not permitted by IFRS Accounting Standards
- Reclassify items in accordance with the requirements of IFRS Accounting Standards
- Apply IFRS in measuring all recognised assets and liabilities

Any differences in the carrying amount of assets and liabilities in the opening IFRS financial statement and the previous carrying amounts shall be recognised in retained earnings at the date of transition.

MANDATORY EXCEPTIONS TO RETROSPECTIVE APPLICATION OF OTHER IFRS ACCOUNTING STANDARDS

IFRS 1 prohibits the retrospective application of the following requirements in other IFRS Accounting Standards:

- *Estimates*
  All estimates made in accordance with IFRS at the date of transition to IFRS shall be consistent with estimates made in accordance with previous accounting framework (subject to changes in accounting policies).
- *Derecognition of financial assets and financial liabilities*
  These requirements should be applied prospectively to all transactions occurring on or after the date of transition to IFRS. They may be applied retrospectively if the information needed was obtained at the time of initially accounting for the transaction.

- *Hedge accounting*
  Hedges cannot be retrospectively designated at the date of transition to IFRS unless the meet the qualifying criteria in IFRS 9 *Financial Instruments*.

- *Non-controlling interests*
  The requirements of IFRS 10 *Consolidated Financial Statements* regarding non-controlling interests shall be applied prospectively from the date of transition to IFRS, unless IFRS 3 *Business Combinations* is applied retrospectively to past business combinations, in which case the IFRS 10 requirements are applied retrospectively as well.

- *Classification and measurement of financial instruments*
  Entities shall assess financial assets based on the facts and circumstances at the date of transition to determine the appropriate classification of a financial asset in accordance with IFRS 9.

- *Impairment of financial assets*
  At the date of transition, entities shall use reasonable and supportable information that is available without due cost or effort to determine the credit risk of an instrument at the date it was recognised.

- *Embedded derivatives*
  Entities shall assess whether an embedded derivative requires separation from the host contract at the later of the date it first became a party to the contract or when a change in terms of the contract occur.

- *Government loans*
  The existing carrying amount of the government loan at the date of transition to IFRS continues to be the carrying amount at the date of transition to IFRS. The requirements of IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* and IFRS 9 can be applied retrospectively only if information needed to do so had been obtained at the time of initially accounting for the government loan.

- *Insurance contracts*
  Entities shall apply specific provisions in Appendix C of IFRS 17 *Insurance Contracts*.

- *Deferred tax related to leases and decommissioning, restoration and similar liabilities*
  Despite exemptions in IAS 12 *Income Taxes*, at the date of transition to IFRS, entities shall recognise deferred tax assets, to the extent their recovery is probable, and deferred tax liabilities in relation to leases, and provisions where the cost has been recognised as part of the cost of the related asset.

OPTIONAL EXEMPTIONS TO RETROSPECTIVE APPLICATION OF OTHER IFRS ACCOUNTING STANDARDS

To facilitate transition to IFRS Accounting Standards, IFRS 1 provides optional exemptions in relation to:

- Business combinations
- Share-based payment transactions
- Deemed cost
- Leases
- Cumulative translation differences
- Investments in subsidiaries, joint ventures and associates
- Assets and liabilities of subsidiaries, associates and joint ventures
- Compound financial instruments
- Designation of previously recognised financial instruments
- Fair value measurement of financial assets or financial liabilities at initial recognition
- Decommissioning liabilities included in the cost of property, plant and equipment
- Financial assets or intangible assets accounted for in accordance with IFRIC 12 *Service Concession Arrangements*

- Borrowing costs
- Extinguishing financial liabilities with equity instruments
- Severe hyperinflation
- Joint arrangements
- Stripping costs in the production phase of a surface mine
- Designation of contracts to buy or sell a non-financial item
- Revenue
- Foreign currency transactions and advance consideration

PRESENTATION AND DISCLOSURE

The first set of IFRS financial statements shall include at a minimum:

- Three statements of financial position (including the opening of the comparative period)
- Two statements of profit or loss and other comprehensive income
- Two statements of cash flows
- Two statements of changes in equity

Entities are required to provide a reconciliation between the numbers reported under previous accounting framework and the numbers under IFRS Accounting Standards for:

- Equity, determined at both:
    - The date of transition to IFRS Accounting Standards
    - The end of the latest period presented in the most recent annual financial statements
- Total comprehensive income for the latest period presented in the most recent annual financial statements

Other disclosures include details of when deemed cost have been used or designation of financial assets or liabilities was changed to fair value through profit or loss.

IFRS 1 does not provide any exemptions from the disclosure requirements of other IFRS Accounting Standards.

MOORE

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