

would be applied, because only in extremely exceptional circumstances would such an amount not be determinable.

### Materiality

**2.32** IAS 34 requires that materiality should be assessed in relation to the interim period financial data. [IAS 34 para 23]. This is consistent with treating interim periods as discrete periods in their own right and avoids misleading readers by ensuring that items that are material to the entity's results for the period presented are appropriately reported. This may result in items being separately disclosed in interim financial reports, but not necessarily in the next annual financial statements.

**2.33** The overriding goal is to ensure that an interim financial report includes all information that is relevant to understanding an entity's financial position and performance during the interim period presented. [IAS 34 para 25].

#### Example – Assessment of materiality in interim financial reports

An entity is preparing its interim financial report in accordance with IAS 34 for the second quarter of its financial year. During the second quarter, the entity incurred significant restructuring costs that were material in terms of the interim financial result, but unlikely to be material based on the projected year end result.

To ensure that the interim financial report includes all information that is relevant to understanding the entity's financial position and performance during the interim period, disclosure of the nature and impact of the restructuring costs on the result for the interim period should be made in the notes to the interim financial report. Additional line items should be included in the condensed income statement and statement of cash flows where their omission would make those statements misleading.

The assessment of materiality should take into consideration the interim period being presented and not the year-to-date or the projected year end financial statements. Therefore, the interim financial report should disclose the nature of the restructuring costs and an indication of whether additional costs of this nature are expected to be incurred later in the year and, where relevant, the expected amount of those future costs. At the year end, the restructuring expense may not be considered material in the context of the full year's results and may not require separate disclosure, either in the notes or on the face of the income statement.

## 3 – Content of interim financial reports

**3.1** IAS 34 identifies the components that should, as a minimum, be included in interim financial reports:

- Condensed statement of financial position (also commonly referred to as a balance sheet).
- Condensed statement of profit or loss and other comprehensive income, presented as either:
  - a condensed single statement; or
  - separate condensed statements of profit or loss and other comprehensive income (see paras 3.3 and 3.4 below for an amendment effective for annual periods beginning on or after 1 July 2012).
- Condensed statement of changes in equity.
- Condensed statement of cash flows.
- Selected explanatory notes.

[IAS 34 para 8].

**3.2** IAS 1 requires full financial statements to include a 'statement of profit or loss and other comprehensive income' for the period. The standard notes that a single statement can be presented with profit or loss and other comprehensive income presented in two sections. The sections should be presented together, with the profit or loss section presented first followed directly by the other comprehensive income section. Alternatively, the profit or loss section can be presented in a separate statement of profit or loss. If so, this should immediately precede the statement presenting other comprehensive income. [IAS 1 (revised) para 10A]. The standard notes that an entity may use other titles for the statement(s), such as 'statement of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'. It follows that the title 'income statement' may be used instead of 'statement of profit or loss'.

**3.3** The IASB issued an amendment to IAS 1 in 2011. The revised standard, which is effective for annual periods beginning on or after 1 July 2012, requires entities to group items of other comprehensive income into those that, in accordance with other IFRSs:

- will not be reclassified subsequently to profit or loss; and
- will be reclassified subsequently to profit or loss when specific conditions are met.

[IAS 1 (revised) para 82A].

**3.4** The amendment to IAS 1 made consequential amendments to the wording in IAS 34. This clarifies that an interim financial report should include a condensed statement or condensed statements of profit or loss and other comprehensive income. If an entity presents items of profit or loss in a separate statement under IAS 1 (in its annual financial statements), it presents interim condensed information from that statement. [IAS 34 paras 8, 8A as amended by IAS 1 (revised)]. This is consistent with the current requirements.

**3.5** IAS 34 requires that each of the condensed primary statements includes, at a minimum, each of the headings and sub-totals used in those most recent financial statements. [IAS 34 para 10]. Although IAS 34 does not require the presentation in the condensed primary statements of all the line items that are required by IAS 1 to be included in the primary statements contained in the

annual financial statements, it is common, and indeed considered best practice, to include them. Additional line items or notes should be included if their omission would make the condensed interim financial statements misleading. In some territories, the extent to which line items may be aggregated in condensed interim financial statements may also be governed by local regulator or market requirements.

#### Example – Headings presented in the condensed interim balance sheet

An entity's balance sheet included in its annual financial statements includes all the line items that are required by paragraph 54 of IAS 1, categorised into the following headings:

- Non-current assets.
- Current assets.
- Current liabilities.
- Non-current liabilities.
- Equity.

The entity's balance sheet also included sub-totals for 'total assets' and 'total liabilities and equity'.

The entity is permitted by IAS 34 to present just these seven lines in its condensed balance sheet prepared in accordance with IAS 34. However, given that the purpose of publishing interim financial information is to communicate the performance of the entity for the interim period, this is not recommended. Indeed, few entities condense any of their primary statements to this extent, with most disclosing the same line items in their condensed primary statements as are disclosed in the full primary statements included in their annual financial statements.

#### [The next paragraph is 3.7.]

**3.7** When an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification, which has a material effect on the financial information in the statement of financial position at the beginning of the preceding period, paragraph 40A of IAS 1 requires the presentation of an additional balance sheet as at the beginning of the preceding period. Accordingly, where an entity publishes full financial statements for the interim period that reflect such a retrospective change, it should also publish this additional balance sheet if amounts disclosed therein are materially impacted by the changes. However, where an entity is merely publishing condensed interim financial statements, there is no requirement to present this additional balance sheet, although entities may wish to consider whether such information would be material to an understanding of the change. [IAS 1 para BC 33].

**3.8** IAS 34 requires condensed balance sheet information to be given as at the end of the interim period, with comparative information as at the end of the previous full financial year (see para 3.56). There is no requirement under IAS 34 for a balance sheet to be presented for the interim date in the previous financial year, but some entities voluntarily provide this balance sheet (see para 3.13). The following example illustrates the periods for which balance sheets are provided where an entity both voluntarily provides a balance sheet for the comparative interim period end and an opening balance sheet following a change in accounting policy.

#### Example – Additional balance sheets presented voluntarily

An entity with a 31 December 20X9 year end has changed an accounting policy in the reporting period. The entity prepares condensed interim financial statements. The retrospective application of the change has a material impact on the comparative period. The entity elects to provide an additional opening balance sheet in line with IAS 1. The periods presented in the condensed balance sheet include the current period (30 June 20X9) and comparative period (31 December 20X8). The entity also voluntarily provides a third balance sheet as at 30 June 20X8. In order to voluntarily comply with the IAS 1 requirements for an additional opening balance sheet, which comparative period should be presented?

The entity should provide an additional balance sheet as at the beginning of the earliest comparative period – that is, 1 January 20X8.

**3.9** IAS 1 requires that the tax effect of each item of other comprehensive income is reported either on the face of the statement of comprehensive income or in the notes to the financial statements. However, neither IAS 1 nor IAS 34 address whether the tax effects of each item must be disclosed in condensed interim financial statements. The measure of other comprehensive income should reflect the tax effect of other comprehensive income items, but this may be done on an aggregate basis. We do not believe that disclosure of the tax impact of individual other comprehensive income items need to be disclosed in condensed interim financial statements, although it would be good practice to do so.

**3.10** The amendment to IAS 1 described in paragraph 3.3 above requires items of other comprehensive income, classified by nature, to be grouped into those that will be reclassified subsequently to profit or loss when specific conditions are met and those that will not be reclassified to profit or loss. [IAS 1 (revised) para 82A]. As IAS 34 requires that the format of each of the condensed primary statements presented in an interim financial report is consistent with the format of the entity's annual financial statements (allowing for accounting policy changes), this presentation will also apply in interim condensed financial statements.

**3.11** IAS 1 contains illustrative examples of balance sheets, income statements, statements of comprehensive income and statements of changes in equity prepared in accordance with IFRS that provide guidance, for preparers of financial statements, of the headings and sub-headings that may be appropriate. [IAS 1 IG]. Similarly IAS 7 contains illustrative examples of statements of cash flows, providing guidance of the headings and sub-totals required. [IAS 7 App A, App B]. These headings and sub-totals will form the framework for the condensed primary statements presented in the interim financial report and ensure the comparability of the interim financial reports of different entities.

**3.12** Table 3.1 shows an example of a condensed consolidated income statement and a statement of comprehensive income compliant with the requirements of IAS 34. This example illustrates the two statement approach. An entity also has the option to present a single condensed statement of comprehensive income. An example of an entity that has chosen to present a single consolidated statement is shown in Table 3.2.

**Table 3.1 – Condensed consolidated income statement and statement of comprehensive income in interim financial report**

**Amcor Limited – Half-year report – 31 December 2012**

**Consolidated Income Statement**

**For the six months ended 31 December 2012**

\$ million	Note	2012	2011
Sales revenue	2	6,034.9	6,085.3
Cost of sales		(5,014.2)	(5,056.7)
<b>Gross profit</b>		<b>1,020.7</b>	<b>1,028.6</b>
Other income	2	98.5	69.2
Sales and marketing expenses		(173.3)	(168.7)
General and administration expenses		(514.0)	(513.2)
Research costs		(32.8)	(35.4)
Share of net profit of equity accounted investments	2	12.4	18.1
<b>Profit from operations</b>		<b>411.5</b>	<b>398.6</b>
Finance income		13.8	10.5
Finance expenses		(114.2)	(112.9)
<b>Net finance costs</b>	2	<b>(100.4)</b>	<b>(102.4)</b>
<b>Profit before related income tax expense</b>	2	<b>311.1</b>	<b>296.2</b>
Income tax expense		(61.1)	(80.6)
<b>Profit for the financial period</b>		<b>250.0</b>	<b>215.6</b>

rendered services to the entity during the interim period, the entity should recognise the employee benefits expected to be paid to the employee for that service. [IAS 19 (revised) para 11].

#### Example – Recognition of contractual bonus costs in the interim period

An entity is involved in the fashion industry. Contractual staff bonuses are paid at the year end based upon the annual sales result against budget. Sales for the first half year have exceeded the budget and the entity considers it likely that the full year budget will also be exceeded. Should the bonuses be recognised in the interim report for the first half year?

Because the sales for the period have exceeded budget and it is considered likely that the full year budget will be exceeded also, the entity expects to award the employees the bonus at the end of the year. Consequently, applying the principles contained in IAS 19, the element of the bonus that relates to the services received from the employees to date should be recognised. That is, if the entity has received half the service that it expects to receive from the staff during the year, it should recognise 50% of the expected year end bonus.

### Employer payroll taxes and insurance contributions

4.8 Where employer payroll taxes or contributions to government-sponsored insurance funds on the earnings of employees are determined based on periodic (for example, weekly, monthly or annual) thresholds, the employer's expense should be estimated for the interim period, using an estimate of the average annual tax or contribution rate. [IAS 34 App B para 1].

#### Example – Employer payroll taxes that accrue unevenly over the year

An entity that makes Christmas decorations has a 31 March year end. For the year ended 31 March 20X4, no employer national insurance contribution (NIC) is payable in respect of the first C97 per week of the employee's salary. Thereafter, employer contributions are payable at a rate of 12.8%. Consequently, the effective rate of the employer contributions that are payable will depend on the employee's salary.

An employee has an annual salary of C16,000 per annum. Given the seasonal nature of the entity's business, the employee usually works significant overtime between October and December each year, earning 10% of annual salary in overtime payments in that three month period, giving a total estimated salary for the year of C17,600. The entity is preparing an interim financial report for the half-year to 30 September 20X3.

The entity's estimated effective rate of employer's NIC will be:

Salary on which no contributions are payable	C97 × 52 =	C5,044
Salary on which contributions at 12.8% are payable	C17,600 – C5,044 =	C12,556
Expected contributions payable in the year ended 31 March 20X4	C12,556 @ 12.8% =	C1,607
Effective rate	C1,607 as a percentage of C17,600 =	9.1%

The charge to income in respect of employer national insurance for the first half-year will be calculated by reference to the salary earned by the employee to date (C8,000) and the employer's effective rate (9.1%) and will be C728.

### Pensions

4.9 Consistent with the principle of preparing an interim financial report for a discrete period, IAS 34 requires that the pension cost for an interim period should be calculated on a year-to-date basis by using the actuarially determined pension cost rate as at the end of the previous year, as adjusted for significant market fluctuations since the previous year end and for significant one-off events, such as plan amendments, curtailments and settlements. [IAS 34 App B para 9].

4.10 The accounting for retirement benefit schemes is considered in detail in chapter 11 of the IFRS Manual of Accounting.

### Defined contribution scheme

4.11 For a defined contribution pension scheme, the expense recognised in a period is equal to the contributions payable in respect of that period. Hence, defined contribution schemes are treated in an interim financial report in the same way as in annual financial statements.

### Defined benefit scheme

4.12 Neither IAS 34 nor IAS 19 (revised), which is effective from 1 January 2013, specifies how frequently the assets and liabilities of a defined benefit scheme should be revalued. This will depend on the facts and circumstances specific to the pension scheme and requires the exercise of a degree of professional judgement. However, IAS 19 (revised) does require an entity to determine the net defined benefit liability or asset with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period. [IAS 19 (revised) para 58]. In other words, unless the extent of any actuarial gains and losses since the last valuation are expected to be immaterial, a valuation should be performed. In a volatile economic environment, it may be necessary for an entity to obtain a valuation at each interim balance sheet date. An example of an updated actuarial valuation at the interim stage is Table 4.1. This company adopted IAS 19 (revised) in the period but the prior year adjustments have not been reproduced in the extract below. As the company previously took actuarial gains and losses in full to other comprehensive income the main effect was on the income statement.

Table 4.1 – Pensions in half yearly report

#### Qinetiq Group plc – Half-year report – 30 September 2012

##### Financial items (extract)

##### Pensions

The net pension liability under IAS19, after deducting deferred tax, was £64.0m (31 March 2012: £18.2m; 30 September 2011: £171.1m). The change in net pension liability since the year end is primarily driven by macro-economic factors, principally unprecedented low levels of gilt yields potentially distorted by quantitative easing, causing a reduction in the discount rate used to value the scheme liabilities. The adoption of IAS19 (revised) "Employee benefits" has no impact on the closing net pension liability.

The key assumptions used in the IAS19 valuation of the scheme are:

Assumption	30 September 2012	31 March 2012
Discount rate	4.4%	4.8%
RPI Inflation	2.9%	3.4%
CPI Inflation	2.4%	2.6%
Salary increase	3.4%	3.6%
Life expectancy – male (currently aged 40)	90	90
Life expectancy – female (currently aged 40)	92	92

Each assumption is selected by the Group in consultation with the Company actuary and takes account of industry practice amongst comparator listed companies. The sensitivity of each of the key assumptions is shown in the table below.

Assumption	Change in assumption	Indicative effect on scheme liabilities (before deferred tax)
Discount rate	Increase / decrease by 0.1%	Decrease / increase by £24m
Inflation	Increase / decrease by 0.1%	Increase / decrease by £24m
Salary increase	Increase / decrease by 0.1%	Increase / decrease by £4m
Life expectancy	Increase by 1 year	Increase by £25m

The market value of the assets at 30 September 2012 was £1,126.4m (31 March 2012: £1,107.9m; 30 September 2011: £949.4m) and the present value of scheme liabilities was £1,215.2m (31 March 2012: £1,139.4m; 30 September 2011: £1,177.5m)

#### Notes to the condensed interim financial statements (extract)

##### 12. Post-retirement benefits

Set out below is a summary of the financial position of the Group's defined benefit pension scheme. The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods, and thus inherently uncertain, are as follows:

	30 September 2012 (unaudited)	30 September 2011 (unaudited)	31 March 2012 (audited)
Total market value of scheme assets	1,126.4	949.4	1,107.9
Present value of scheme liabilities	(1,215.2)	(1,177.5)	(1,139.4)
<b>Net pension liability before deferred tax</b>	<b>(88.8)</b>	<b>(228.1)</b>	<b>(31.5)</b>
Deferred tax asset	24.8	57.0	13.3
<b>Net pension liability</b>	<b>(64.0)</b>	<b>(171.1)</b>	<b>(18.2)</b>

#### Changes to the net pension liability before deferred tax

	30 September 2012 (unaudited)	30 September 2011 (unaudited and restated, note 1)	31 March 2012 (audited and restated, note 1)
all figures in £ million			
Opening net pension liability before tax	(31.5)	(124.6)	(124.6)
Actuarial loss on scheme assets	(64.6)	(107.6)	(102.9)
Contributions by the employer	18.7	18.0	83.2
Current service cost and administration costs	(10.6)	(10.3)	(22.5)
Interest cost	(0.8)	(3.5)	(7.2)
Past service cost	-	(0.1)	142.5
Closing net pension liability before deferred tax	(88.8)	(228.1)	(31.5)

#### Assumptions

The major assumptions (weighted to reflect individual scheme differences) were:

	30 September 2012 (unaudited)	30 September 2011 (unaudited)	31 March 2012 (audited)
Rate of increase in salaries	3.4%	4.3%	3.6%
Rate of increase in pensions in payment	2.4%	3.3%	3.6%
Discount rate applied to scheme liabilities	4.4%	5.1%	4.8%
RPI inflation assumption	2.9%	3.3%	3.4%
CPI inflation assumption	2.4%	2.4%	2.6%
Assumed life expectancies in years:			
Future male pensioners (currently aged 60)	88	88	88
Future female pensioners (currently aged 60)	90	90	90
Future male pensioners (currently aged 40)	90	90	90
Future female pensioners (currently aged 40)	92	91	92

**4.13** Obtaining fair values of certain assets held by the pension scheme, such as traded securities, is a low-cost and relatively simple task for an entity to perform at the interim balance sheet date. However, obtaining fair values for other assets such as untraded securities (or securities that are traded so thinly that the most recent trade price is not considered a fair reflection of the fair value of

the security) or properties, or obtaining a present valuation of the liabilities of the pension scheme may be costly and time-consuming tasks. Estimating these values accurately may involve the use of experts such as property surveyors or actuaries.

**4.14** Under IAS 19 (revised), net interest is determined in annual financial statements by multiplying the net defined benefit liability (or asset) by the discount rate (as specified in the standard). These are both as determined at the start of the annual period, but taking account of any changes in the net defined benefit liability (or asset) during the period as a result of contribution and benefit payments. [IAS 19 (revised) para 123]. It is reasonable for a similar approach to be used for determining the net interest in an interim period.

**4.15** The approach described in the previous paragraph represents the general rule, however the guidance in paragraph B9 of IAS 34, requires that significant market fluctuations and significant one-off events such as plan amendments, curtailments and settlements should be adjusted for in the interim period.

**4.16** Although IAS 19 (revised) is silent on market fluctuations, we believe that market fluctuations that have a significant positive or negative impact on the income statement should be adjusted for when they occur and not just at interim reporting dates. As a result, the income statement effect of such changes is not dependent on the number of interim periods an entity has during a financial year.

**4.16.1** While we believe that adjusting for market fluctuations is the most appropriate treatment, IAS 19 (revised) is silent on the matter and, therefore, it would also be permissible to adopt a policy not to adjust for market fluctuations. However, adjustments for plan amendments, curtailments and settlements must always be accounted for when they occur. (See further chapter 11A of the IFRS Manual of Accounting).

**4.17** As outlined in paragraph 2.9 above, IAS 34 recognises that there will be a greater use of estimates by an entity when it is preparing an interim financial report than when it is preparing its annual financial statements. Consequently, it may be appropriate for an entity to extrapolate a valuation that had been previously obtained for the purposes of calculating the appropriate asset or liability for recognition in the interim financial report. [IAS 34 App C para 4]. IAS 19 (revised) encourages, but does not require, the entity to involve a qualified actuary in the measurement of scheme liabilities, so it may sometimes be appropriate at an interim reporting date for the entity's directors to perform this extrapolation exercise without actuarial assistance.

**4.18** A further point of note is the relevance of materiality to the interim financial report. As noted in paragraph 2.32 above, materiality for the interim report is calculated by reference to the results of the interim period being reported and not to the extrapolated expected results for the year. Consequently, when deciding whether an actuarially determined pension scheme surplus or deficit at the interim date is likely to be materially different from the estimated surplus or deficit (based on extrapolation), materiality should be based on the results for the interim period.

#### Holidays and other short-term paid absence

**4.19** Where an entity is liable for accrued annual leave that is to be used or paid out in a subsequent period, IAS 19 (revised) requires that the expected cost to the entity of compensating the employee for that leave should be recognised as a liability, regardless of whether the employee has a right to receive cash compensation or must use the annual leave. [IAS 19 (revised) para 15]. This principle equally applies to the interim date as it does to the year end. [IAS 34 App B para 10].

(All amounts in C thousands unless indicated otherwise)

### Condensed interim statement of comprehensive income

34p8(b), 20(b)

	Notes	Six months ended	
		30 June 2013	30 June 2012
		Unaudited	Unaudited and restated (note 3)
<b>Profit for the period</b>		<b>4,838</b>	<b>4,657</b>
<b>Other comprehensive income:</b>			
<b>1p82A</b> Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations			
Gains on revaluation of land and buildings	18	104	(164)
Income tax on items that will not be reclassified		195	260
		(90)	(26)
<b>Total items that will not be reclassified to profit or loss</b>		<b>209</b>	<b>70</b>
<b>1p82A</b> Items that may be reclassified subsequently to profit or loss			
Change in value of available-for-sale financial assets			
Cash flow hedges		16	14
Net investment hedge		284	18
Currency translation differences		4	-
Income tax relating to items that may be reclassified <sup>2</sup>		(5)	15
		(90)	(13)
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>209</b>	<b>34</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>418</b>	<b>104</b>
<b>Total comprehensive income for the period</b>		<b>5,256</b>	<b>4,761</b>
<b>Attributable to:</b>			
- Owners of the parent		4,406	3,756
- Non-controlling interest		850	1,005
<b>Total comprehensive income for the period</b>		<b>5,256</b>	<b>4,761</b>
<b>Total comprehensive income attributable to owners of the parent arising from:</b>			
- Continuing operations		4,346	3,671
- Discontinued operations	8	60	85
		<b>4,406</b>	<b>3,756</b>

The notes on pages 2014 to 2036 are an integral part of these condensed interim financial statements.

<sup>2</sup> Alternatively, individual components of other comprehensive income may be presented after related tax effects.

(All amounts in C thousands unless indicated otherwise)

### Condensed interim balance sheet<sup>3</sup>

34p8(a), 20(a)

	Notes	30 June 2013	31 December 2012
		Unaudited	Audited and restated (Note 3)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	21,848	22,895
Goodwill	15	2,049	-
Other intangible assets	14	4,433	3,140
Investments in associates	10	1,110	290
Other non-current financial assets		767	800
Deferred income tax asset		85	77
Available-for-sale financial assets		4,062	3,999
Derivative financial instruments		654	960
		<b>35,008</b>	<b>32,161</b>
<b>Current assets</b>			
Inventories		14,490	13,990
Trade and other receivables		10,241	10,935
Other current financial assets		279	206
Cash and cash equivalents (excluding bank overdrafts)		2,232	1,798
Derivative financial instruments		400	665
		<b>27,642</b>	<b>27,594</b>
<b>IFRS5p38,40</b> Assets of disposal group classified as held for sale	8	1,400	-
		<b>29,042</b>	<b>27,594</b>
<b>Total assets</b>		<b>64,050</b>	<b>59,755</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	16	24,632	24,032
Other reserves		3,318	3,056
Retained earnings		9,191	5,426
		<b>37,141</b>	<b>32,514</b>
<b>Non-controlling interests</b>		5,608	4,995
<b>Total equity</b>		<b>42,749</b>	<b>37,509</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	17	6,430	6,810
Other non-current financial liabilities		2,037	1,396
Derivative financial instruments		60	234
Deferred income tax liabilities		609	323
Retirement benefit obligations	18	2,382	2,888
Provisions for other liabilities and charges	19	1,305	977
		<b>12,823</b>	<b>12,628</b>
<b>Current liabilities</b>			
Trade and other payables		5,916	7,249
Derivative financial instruments		49	100
Current income tax liabilities		587	728
Borrowings	17	827	603
Provisions for other liabilities and charges	19	359	938
		<b>7,738</b>	<b>9,618</b>
<b>IFRS5p38,40</b> Liabilities of disposal group classified as held for sale	8	740	-
		<b>8,478</b>	<b>9,618</b>
<b>Total liabilities</b>		<b>21,301</b>	<b>22,246</b>
<b>Total equity and liabilities</b>		<b>64,050</b>	<b>59,755</b>

The notes on pages 2014 to 2036 are an integral part of these condensed interim financial statements.

<sup>3</sup> The balance sheet is referred to in IAS 1 as the 'statement of financial position'. Either name can be used.

(All amounts in C thousands unless indicated otherwise)

**Condensed interim statement of changes in equity**

34p8(c), 20(c)	Notes	Attributable to owners of the parent				Non-controlling interest	Total equity
		Share capital	Other reserves	Retained earnings	Total		
<b>Balance at 1 January 2013 (restated)</b>		<b>24,032</b>	<b>3,056</b>	<b>5,426</b>	<b>32,514</b>	<b>4,995</b>	<b>37,509</b>
Profit for the period		–	–	3,988	3,988	850	4,838
Other comprehensive income		–	350	68	418	–	418
<b>Total comprehensive income</b>		<b>–</b>	<b>350</b>	<b>4,056</b>	<b>4,406</b>	<b>850</b>	<b>5,256</b>
Value of employee services		–	–	700	700	–	700
Proceeds from shares issued	16	600	–	–	600	–	600
Purchase of treasury shares <sup>4</sup>	16	–	(135)	–	(135)	–	(135)
Convertible bond – equity component	17	–	77	–	77	–	77
Dividends	13	–	–	(991)	(991)	(248)	(1,239)
Funding from non-controlling interest		–	–	–	–	400	400
Acquisition of subsidiary	9	–	–	–	–	(389)	(389)
Acquisition of associate	10	–	(30)	–	(30)	–	(30)
		<b>600</b>	<b>(88)</b>	<b>(291)</b>	<b>221</b>	<b>(237)</b>	<b>(16)</b>
<b>Balance at 30 June 2013 (unaudited)</b>		<b>24,632</b>	<b>3,318</b>	<b>9,191</b>	<b>37,141</b>	<b>5,608</b>	<b>42,749</b>
<b>Balance at 1 January 2012 (restated)</b>		<b>23,917</b>	<b>1,297</b>	<b>3,376</b>	<b>28,590</b>	<b>3,899</b>	<b>32,489</b>
Profit for the period		–	–	3,652	3,652	1,005	4,657
Other comprehensive income		–	210	(106)	104	–	104
<b>Total comprehensive income</b>		<b>–</b>	<b>210</b>	<b>3,546</b>	<b>3,756</b>	<b>1,005</b>	<b>4,761</b>
Value of employee services		–	–	500	500	–	500
Proceeds from shares issued	16	800	–	–	800	–	800
Dividends	13	–	–	(1,659)	(1,659)	(252)	(1,911)
		<b>800</b>	<b>–</b>	<b>(1,159)</b>	<b>(359)</b>	<b>(252)</b>	<b>(611)</b>
<b>Balance at 30 June 2012 (unaudited and restated)</b>		<b>24,717</b>	<b>1,507</b>	<b>5,763</b>	<b>31,987</b>	<b>4,652</b>	<b>36,639</b>

The notes on pages 2014 to 2036 are an integral part of these condensed interim financial statements.

<sup>4</sup> For equity shares purchased for holding in treasury, national law may require that this amount is deducted from distributable profits. In the absence of any legal requirement, the amount is debited to a separate component of equity. Paid-in capital is not reduced.

(All amounts in C thousands unless indicated otherwise)

**Condensed interim statement of cash flows**

34p8(d), 20(d)	Notes	Six months ended	
		30 June 2013	30 June 2012
		Unaudited	and restated
		Unaudited	restated
<b>Cash flows from operating activities</b>			
Continuing operations:			
		13,918	10,094
		(1,473)	(723)
		(527)	(477)
	8	720	1,166
		<b>12,638</b>	<b>10,060</b>
<b>Cash flows from investing activities</b>			
Continuing operations:			
	9	(6,750)	–
		(8,677)	(7,204)
		300	60
		(700)	–
		(115)	275
	8	3,633	(92)
		<b>(12,309)</b>	<b>(6,961)</b>
<b>Cash flows from financing activities</b>			
Continuing operations:			
		(1,239)	(1,911)
	17	1,004	–
	16	600	800
	17	(663)	(225)
	17	–	250
		(15)	(737)
	16	(135)	–
		400	–
	8	(113)	(103)
		<b>(161)</b>	<b>(1,926)</b>
<b>Net increase in cash, cash equivalents and bank overdrafts</b>			
		168	1,173
Cash, cash equivalents and bank overdrafts at start of period			
		1,701	1,927
Exchange gains/(losses)			
		93	(17)
		<b>1,962</b>	<b>3,083</b>
<b>Cash and cash equivalents at end of period</b>			
Cash and cash equivalents comprises:			
		(270)	(145)
		2,232	3,228
		<b>1,962</b>	<b>3,083</b>

The notes on pages 2014 to 2036 are an integral part of these condensed interim financial statements.

<sup>5</sup> The net cash flows relating to the operating, investing and financing activities of discontinued operations may either be presented on the face of the statement of cash flows or in the notes.