Interim Financial Reporting (AS-25)

H.N. Motiwalla

< EXECUTIVE SUMMARY >

◆This Accounting Standard comes into effect in respect of accounting periods commencing on or after April 01, 2002. If an enterprise is required or elects to prepare and present an interim financial report, it should comply with this Standard.

The Standard does not mandate which enterprise should be required to present interim financial reports, how frequently or how soon after the end of an interim period. However, a statute governing an enterprise or a regulator may require an enterprise to prepare and present certain information at an interim date which may be different in form and/or content as specified in this Standard. In such case, the recognition and measurement principles as laid down in this Standard are applied, unless otherwise specified in the statute or by the regulator.

OBJECTIVES:

Interim financial reports are financial statements covering periods of less than a full financial year. The purpose of quarterly or other interim financial reports is to provide financial statement users with more timely information for investment and credit decisions, based on an ability to project full year results from interim performance. Additionally, interim reports can yield significant information concerning trends effecting the business and seasonality effects both of which could be reflected in annual reports.

The basic objective of interim reporting is to provide frequent and timely assessments of enterprise performance. However, interim reporting has inherent limitations. As the reporting period is shorten, the effects of errors in estimation and allocation are increased. The effects of seasonal fluctuations and temporary market conditions further limit the reliability, comparability and predictive value of interim reports.

The objectivity of this Standard is to prescribe the minimum content of an interim financial report, and to prescribe the principles for recognition and measurements in financial statements or an interim period.

INTERIM FINANCIAL PERIOD AND REPORT:

For the purpose of this Standard, an interim financial period is a financial reporting period shorter than a full financial year. However, the Standard clarifies that during the first year of operation of an enterprise, its annual financial reporting period may be shorter than a financial year, in such a case that shorter period is not considered as an interim period.

The Standard defines interim financial report, means a financial report containing either a complete set of

The author is member of the Institute. The views expressed herein are the personal views of the author and do not necessarily represent the views of the Institute.

financial statements or a set of condensed financial statements for an interim period as defined in this Standard.

The requirements related to cash flow statement, complete or condensed, contained in this Standard are applicable where an enterprise prepares and presents a cash flow statement for the purpose of its annual financial report.

Form and Content of an Interim Financial Report:

An interim financial report can contain either a complete set of financial statements or a set of condensed financial statements.

A complete financial statements therefore, would include:

a) balance sheet.
b) statement of profit and loss.
c) cash flow statement; and
d) notes including those relating to accounting policies and other statements and explanatory material that are an integral part of the financial report.

In the interest of timeliness and cost consideration and to avoid repetition of information previously reported, an enterprise may elect to present less information at interim date as compared with its annual financial statements.

Instead of repeating and duplicating information previously presented in annual financial statements, interim financial reports should preferably focus on new activities, events and circumstances that have occurred since the date of publication or the latest complete set of financial statements. The accounting Standard has recognized the need to keep financial statement users abreast with the latest financial condition of an enterpise and has thus soften the presentation and disclosure requirements in the case of interim financial reports. Thus, in the interest of timeliness and cost considerations and to avoid repretition of information previously reported, the Standard allows an enterprise, at its option, to provide information relating to its financial position in condense format in lieu of comprehensive information provided in complete set of financial statements.

An interim financial report in condensed form therefore would include:

a) condensed balance sheet,
b) condensed statement of profit and loss,
c) condensed cash flow statement; and
d) selected explanatory notes

Paras 7 and 8 of the Standard clarify the following three important aspects of interim financial reporting:

- That the above concession extended by the Standard to interim financial report is in no way intended to either prohibit or discourage an enterprise from presenting a complete set of interim financial statements.
- That even in the case of condensed interim financial statements, if an enterprise chooses to add line-items or additional explanatory notes to the condensed financial statements, over and above the minimum prescribed by this Standard, the Standard does not, in any way prohibit or discourage the addition of such extra information to the prescribe minimum basic requirements; and
- That the recognition and measurement principles set out in this Standard apply to a complete set of an interim financial statements as they apply to condensed interim financial statements.

Para 10 of the Standard states that if an enterpise prepares and presents a complete set of financial statements in its interim financial report, the form and content of those statements should conform to the requirements as applicable to annual complete set of financial statements.

Para 11 of the Standard requires that if an enterpise prepares and presents a set of condensed financial statement in its interim financial report, those condensed statements should include, at a minimum, each of the headings and sub headings that were included in its most recent annual financial statements and the selected explanatory notes as required by this Standard. Additional line items or notes should be included if their omission would make the condensed interim financial statements misleading.

If an enterprise presents basic and diluted earnings per share in its annual financial statements in accordance with Accounting Standard- Earnings Per Share (AS-20), then, basic and diluted earnings per share should be presented in accordance with AS-20 on the face of the statement of profit and loss, complete or condensed for an interim period.

Paragraph 13 specifies that if the enterprise's most recent annual financial statements were consolidated statements in addition to parent's separate financial statement, the interim financial statements, complete or condensed be both the consolidated financial statements and separate financial statements.

SELECTED EXPLANATORY NOTES:

Para 15 utters that it is superfluous to provide the same notes in the interim financial report that appeared

in most recent annual financial statements, since financial statement users have excess to those statements in any case. On the contrary, at an interim date, it would be meaningfull to provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the enterprise, since the last annual reporting.

In keeping with this line of thinking Para 16 provides a list of minimum disclosures by an enterprise in an interim financial report.:

a) a statement that the same accounting policies are followed in the interim financial statements as those followed in most recent annual financial statements or, if those policies have been changed, a description of the nature and effect of the change;
b) explanatory comments about the seasonality of interim operations;
c) the nature and amount of items affecting assets, liabilities, equity net income, or cash flows that are unusual because of their nature, size, or incidence e.g;, right down of inventories, restructuring of activities, disposal of fixed assets etc;,
d) the nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect in the current interim period;
e) issuances, buy-backs, repayments and restructuring of debt, equity and potential equity shares;
f) dividends, aggregate or per share (in absolute or percentage terms), separately for equity shares and other shares;
g) segment revenue, segment capital employed (segment assets minus segment liabilities) and segment result for business segments or geographical segments, whichever is the enterprise's primary basis of segment reporting;
h) the effect of changes with the composition of the enterprise during the interim period, such as amalgamations, acquisition or disposal of subsidiaries and long term investments, restructuring, and discontinuing operations; and
i) material changes in contingent liability since the last annual balance sheet date.

The above information should normally be reported on a financial year – to – date basis. However, the enterprise should also disclose any events or transactions that are material to an understanding of the current interim period.

In case of complete set of interim financial statements the disclosure mandated by other accounting Standards should be made. However, if the condensed format is used, then such additional disclosures required by other accounting Standards need not be made.

Periods for which Interim Financial Statements are required to be prepared:

Para 18 instructs that interim financial statements, condense or complete, be presented as follows:

a) balance sheet as of the end of the current interim period and a comparative balance sheet as of the end of the immediately preceding financial year
b) statements of profit and loss for the current interim period and cumulatively for the current financial year to date, with comparative statements of profit and loss for the comparable interim periods (current and year to date) of the immediately preceeding financial year e.g. a statement of profit and loss be prepared with four columns presenting information for three months periods ended June 30, 2001 and June 30, 2000; and for the six months period ended June 30, 2001 and June 30, 2000.
c) cash flow statement cumulatively for the current financial year – to date, with a comparative statement for the comparable year – to – date period of the immediately preceding financial year.

Thus, statement of profit and loss for an interim period would comprise four columns of data, while in case of remaining components of interim financial statements, the presentation of two columns of data would be sufficient.

Para 19 recommends that for highly seasonal business, the inclusion of additional income statements columns for the twelve months ending on the date of the most recent interim report would be very useful. The objective of twelve months statements is that seasonality concerns are eliminated since by definition each rolling period contains all the seasons of the year.

MATERIALITY:

Materiality is one of the most fundamental concepts underlying financial report. Therefore, Para 21 of the Standard provides that in deciding how to recognize, measure, classify or disclose an item for interim financial reporting purposes, materiality should be assessed in relation to the interim period financial data. In making assessment of materiality, it should be recognized that interim measurements may rely on estimates to a greater extent than measurements of annual financial data.

Information is material if its misstatement that is omission or error could influence the economic decisions of users taken on the basis of the financial information.

The overriding objective is to ensure that an interim financial report includes all information that is relevant to understanding an enterprise's financial position and performance during the interim period.

DISCLOSURE IN ANNUAL FINANCIAL STATEMENTS:

An enterprise may not prepare and present a separate financial report for the final interim period because the annual financial statements are presented, then in such case, if an estimate of an amount reported in an interim period is changed significantly during the final interim period of the financial year, the nature and amount of that change in estimate should be disclosed in a note to the annual financial statements for that financial year, e.g changes in estimate in the final interim period relating to inventory right-downs, restructuring, or impairment losses etc., that were reported in an earlier interim period of the financial year.

CONCEPTS OF INTERIM REPORT:

The interim reporting is generally different than financial reporting of a full fiscal year. Therefore, two distinct views of interim reporting have developed. Under the first view, the interim period is considered to be an integral part of the annual accounting period. Annual operating expenses are estimated an then allocated to the interim periods based on forecasted annual activity levels such as sales volume. When this approach is employed the results of subsequent interim periods must be adjusted to reflect estimation errors.

Under the second view, the interim period is considered to be a discrete accounting period with status equal to a fiscal year. Thus, there are no estimations or allocations different from those used for annual reporting. The same expense recognition rules apply as under annual reporting, and no special interim accruals or deferrals are applied. Annual operating expenses are recognized in the interim period in which they are incurred, irrespective of the number of interim periods.

Direct costs and revenues best accounted for as incurred and earned, respectively, which equates a discrete approach in most instances, while many indirect costs are more likely to require that an allocation process be applied, which is suggestive of an integral approach. In short, a mix of methods will be necessary as dictated by the nature of the cost or revenue item being reported upon, and neither a pure integral nor a pure discrete approach could be utilized in practice.

RECOGNITION AND MEASUREMENT:

Accounting Policies:

The Standard provides that interim period financial statements should be prepared using the same accounting principles which had been employed in most recent financial statements. This is consistent with the idea that latest annual report provides the frame of reference which will be employed by users of the interim information. The fact that interim data is expected to be useful in making projections of the forthcoming full year's reported results of operations makes consistency of accounting principles between the interim period and prior year important, since the projected results for the current year will undoubtedly be evaluated in the context of year – earlier performance. Unless the accounting principles applied in both periods are consistent, any such comparison is likely to be less valid.

Para 28, therefore requires that an enterprise apply the same accounting policies in its interim financial statements as in its annual financial statements may seem to suggest that interim period measurements are made as if each interim period stands alone as an independent reporting period. However, by providing that the frequency of an enterprise's reporting should not affect the measurement of its annual results. The same accounting policies in interim financial statements as are applied in its annual financial statements, acknowledges that an interim period is a part of a financial year. Year to-date measurements may involve changes in estimates of amount reported in prior interim periods of the current financial year but the principles for recognizing assets, liability, income and expenses for interim periods are same as in annual financial statements.

RECOGNITION ILLUSTRATE:

The Standard provides:

(a) the principles for recognizing and measuring losses from inventory write-downs, restructurings, or impairments in an interim period are the same as those that an enterprise would follow if it prepared only annual financial statements. However, if such items are recognized and measured in one interim period and the estimate changes in a subsequent

interim period of that financial year, the original estimate is changed in the subsequent interim period either by accrual of an additional amount of loss or by reversal of the previously recognized amount.

(b) a cost that does not meet the definition of an asset at the end of an interim period is not deferred on the balance sheet date either to await future information as to whether it has met the definition of an assets or to smooth earnings over interim periods within a financial year; and

(c) income tax expense is recognized in each interim period based on the best estimate of the weighted average annual effective income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in subsequent interim period of that financial year in the estimate of the annual effective income tax rate changes.

The Standard, further clarifies that for assets, the same tests of future economic benefits apply at interim dates as they apply at the end of an enterprise's financial year. Costs that, by their nature, would not qualify as assets at financial year end would not qualify at interim dates as well. Similarly, a liability at an interim reporting date must represent an existing obligation at that date, just it must be an annual reporting date.

Further, income is recognized in the statement of profit and loss when an increase in future economic benefits related to an increase in an assets or a decrease of a liability has arisen that can be measured reliably. Expenses are recognized in the statement of profit and loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has risen that can be measured reliably. The recognition of items in the balance sheet which do not meet the definition of assets or liabilities is not allowed.

In measuring assets, liabilities, income, expenses, and cash flows reported in its financial statements, an enterprise that reports only annually is able to take into account information that becomes available throughout the financial year. Its measurements are, in effect, on a year to-date basis.

An enterprise that reports half yearly, uses information available by mid year or shortly thereafter in making the measurements in its financial statements for the first six months period and information available by year-end or shortly thereafter for the twelve months period. The twelve months measurements will reflect any changes in estimates of amounts reported for the first six months period. The amounts reported in the interim financial report for the first six months period are not retrospectively adjusted. The Standard requires, however, that the nature and amount of any significant changes in estimates be disclosed.

An enterprise that reports more frequently than half yearly, measures income and expenses on a year-to-date basis for each interim period using information available when each set of financial statements is being prepared. Amounts of income and expenses reported in the current interim period will reflect any changes in estimates of amounts reported in prior interim periods of the financial year. The amounts reported in prior interim periods are not retrospective adjusted. The Standard requires, however, that the nature and amounts of any significant changes in estimates be disclosed.

Appendix 3 to the Standard provides illustrative examples of applying the general recognition and measurements principles:

Gratuity and Other Defined Benefit Scheme:

Provisions in respect of gratuity and other defined benefit schemes for an interim period are calculated on a year-to-date basis by using the actuarially determined rates at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one time events.

Major Planned Periodic Maintenance or Overhaul

The cost of a major planned periodic maintenance or overhaul or other seasonal expenditure that is expected to occur late in the year is not anticipated for interim reporting purposes unless an event has caused the enterprise to have a present obligation. The mere intention or necessity to incur expenditure related to the future is not sufficient to give rise to an obligation.

Provisions:

This Standard requires that an enterprise apply the same criteria for recognizing and measuring a provision at an interim date as it would at the end of its financial year. The existence or non-existence of an obligation to transfer economic benefits is not a function of the length of the reporting period. It is a question of fact subsisting on the reporting date.

Year End Bonuses:

The nature of the year-end bonuses varies widely. Some are earned simply because of continued employment during a time period. Some bonuses are earned based on monthly, quarterly, or annual measure of operating result. They may be purely discretionary, contractual, or based on years of historical precedent.

A bonus is anticipated for interim reporting purposes if, and only if, (a) the bonus is a legal obligation or an obligation arising from past practice for which the enterpise has no realistic alternative but to make the payments, and (b) a reliable estimate of the obligation can be made.

Intangible Assets:

An enterprise will apply the definition and recognition criteria for an intangible asset in the same way in an interim period as in an annual period. Costs incurred before the recognition criteria for an intangible asset are met are recognized as an expenses. Costs incurred after the specific point in time at which the criteria are met recognized as part of the cost of an intangible asset. "Deferring" costs as assets in an interim balance sheet in the hope that the recognition criteria will be met later in the financial year is not justified.

Other Planned but Irregularly Occurring Costs:

An enterprise's budget may include certain costs expected to be incurred irregularly during the financial year, such as employee training costs. These costs generally are discretionary even though they are planned and tend to recur from year to year. Recognizing an obligation at an interim financial reporting date for such costs that have not yet been incurred generally is not consistent with the definition of a liability.

Measuring Income Tax Expense for Interim Period

Interim period income tax expenses is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

This is consistent with the basic concept set out above that the same accounting recognition and measurement principles should be applied in an interim financial report as are applied in annual financial statements. Income taxes are assessed on an annual basis. Therefore, interim period income tax expense is calculated by applying, to an interim period's pretax income, the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate. That estimated average annual effective income tax rate would reflect the tax rate structure expected to be applicable to the full year's earnings including enacted or substantively enacted changes in the income tax rate scheduled to take effect later in the financial year. The estimated average annual effective income tax rate would be re-estimated on a year-to-date basis, consistent with this Standard. However the Standard requires disclosure of a significant change in estimate.

To the extent practicable, a separate estimated average annual effective income tax rate is determined for each governing taxation law and applied individually to the interim period pre-tax income under such laws. Similarly, if different income tax rates apply to different categories of income (such as capital gains or income earned in particular industries), to the extent practicable a separate rate is applied to each individual category of interim period pre-tax income. While that degree of precision is desirable, it may not be achievable in all cases, and a weighted average of rates across such governing taxation laws or across categories of income used if it is a reasonable approximation of the effect of using more specific rates.

As illustration, an enterprise reports quarterly, earns Rs.150 lakhs pre-tax profits in the first quarter but expects to incur losses of Rs.50 lakhs in each of the three remaining quarters (thus having zero income for the year), and is governed by taxation laws according to which its estimated average annual effective income tax rate is expected to be 35 per cent. The following table shows the amount of income tax expense that is reported in each quarter.

	1st	2nd	3rd	4th	
	Quarter	Quarter	Quarter	Quarter	Annual
Tax Expense	52.5	(17.5)	(17.5)	(17.5)	0

Difference in Financial Reporting Year and Tax Year:

If the financial reporting year and the income tax year differ, income tax expenses for the interim periods of that financial reporting year is measured using separate weighted average estimated effective tax rates for each of the income tax years applied to the portion of pre-tax income earned in each of those income tax years.

To illustrate, an enterprise's financial reporting year ends on September 30, and it reports quarterly. Its year as per taxation laws ends on March 31. For the financial year that begins October 1, Year 1 ends on September 30 of Year 2, the enterprise earns Rs.100 lakhs pre-tax each quarter. The estimated weighted average annual effective income tax rate is 30 per cent in Year 1 and 40 per cent in Year 2.

(Amount in Rs. Lakhs)

	Quarter Ending 31 Dec Year 1	Quarter Ending 31st Mar Year 1	Quarter Ending 30 June Year 2	Quarter Ending 30th Sep. Year 2	Year Ending 30 Sept. Year 2
Tax Expense	30	30	40	40	140

Tax Deductions/Exemptions

Tax statues may provide deduction/exemptions in computation of income for determining tax payable. Anticipated tax benefits of this type for the full year are generally reflected in computing the estimated annual effective income tax rate, because these deductions/ exemption are calculated on an annual basis under the usual provisions of tax statutes. On the other hand, tax benefits that relate to a one-time event are recognized in computing income tax expense in that interim period, in the same way that special tax rates applicable to particular categories of income are not blended into a single effective annual tax rate.

Tax Loss Carry forwards

A deferred tax asset should be recognized in respect of carry forward tax losses to the extent that it is virtually certain, supported by convincing evidence, that future taxable income will be available against which the deferred tax assets can be realized. The criteria are to be applied at the end of each interim period and, if they are met, the effect of the tax loss carry forward is reflected in the computation of the estimated average annual effective income tax rate.

To illustrate, an enterprise that reports quarterly has an operating loss carry forward of Rs.100 lakhs for income tax purposes at the start of the current financial year for which a deferred tax assets has not been recognized. The enterprise earns Rs.100 lakhs in the first quarter of the current year and expects to earn Rs.100 lakhs in each of the three remaining quarters. Excluding the loss carry forward, the estimated average annual effective income tax rate is expected to be 40 per cent. The estimated payment of the annual tax on Rs.400 lakhs of earnings for the current year would be Rs.120 lakhs {(Rs.400 lakhs – Rs.100 lakhs) x 40%}. Considering the loss carry forward, the estimated average annual effective income tax rate would be 30% {(120 lakhs/ Rs.400 lakhs)x 100}. This average annual effective income tax rate would be applied to earnings of each quarter. Accordingly, tax expenses would be as follows:

(Amount in Rs. Lakhs)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
Tax Expense	30.00	30.00	30.00	30.00	120.00

Contractual or Anticipated Purchase Price Changes:

Volume rebates or discounts and other contractual changes in the prices of goods and services are anticipated in interim periods, if it is probable that they will take effect. Thus, contractual rebates and discounts are anticipated but discretionary rebates and discounts are not anticipated because the resulting liability would not satisfy the conditions of recognition, viz. that a liability must be a present obligation whose settlement is expected to result in an outflow of resources.

Depreciation and Amortization:

Depreciation and amortization for an interim period is based only on assets owned during that interim period. It does not take into account asset acquisition or disposals planned for later in the financial year.

Inventories:

Inventories are measured for interim financial reporting by the same principles as at financial year end. AS 2 on Valuation of Inventories, establishes standards for recognizing and measuring inventories. Inventories pose particular problems at any financial reporting date because of the need to determine inventory quantities, costs, and net realizable values. Nonetheless, the same measurement principles are applied for interim inventories. To save cost and time, enterprises often use estimates to measure inventories at interim dates to a greater extent than at annual reporting dates. Paragraph below provides an example of how to apply the net realizable value test at an interim date.

Net Realizable Value of Inventories:

The net realizable value of inventories is determined by reference to selling price and related costs to complete and sell the inventories. An enterprise will reverse a write-down to net realizable value in a subsequent interim period as it would at the end of its financial year.

Foreign Currency Translation Gains and Losses

Foreign currency translation gains and losses are measured for interim financial reporting by the same principles as at financial year end in accordance with the

principles as stipulated in AS 11 on Accounting for the Effects of Changes in Foreign Exchange Rates.

Impairment of Assets:

Accounting Standard on Impairment of Assets requires that an impairment loss be recognized if the recoverable amount has declined below carrying amount.

An enterprise applies the same impairment tests, recognition, and reversal critieria at an interim date as it would at the end of its financial year. That does not mean, however, that an enterprise must necessarily make a detailed impairment calculation at the end of each interim period. Rather, an enterprise will assess the indications of significant impairment since the end of the most recent financial year to determine whether such a calculation is needed.

Revenues Received Seasonally or Occasionally

Revenues that are received Seasonally or Occasionally within a financial year should not be anticipated or deferred as of an interim date if anticipation or deferral would not be appropriate at the end of the enterprise's financial year.

Examples include dividends, royalties and government grants. Additionally, some enterprises consistently earn more revenues in certain interim periods of a financial year than in other interim periods, e.g. seasonal revenues of retailers. Such revenues are recognized when they occur.

Cost Incurred Unevenly During the Financial Year

Costs that are incurred unevenly during an enterprise's financial year should be anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year.

Use of Estimates

The measurement procedures to be followed in an interim financial report should be designed to ensure that the resulting information is reliable and that all material financial information that is relevant to an understanding of the financial position or performance of the enterprise is appropriately disclosed. While measurements in both annual and interim financial reports generally will require a greater use of estimation methods than annual financial reports.

Appendix 4 provides examples to illustrate application of the aforesaid principles:

Provisions:

Determination of the appropriate amount of a provision (such as a provision for warranties, restructuring costs, gratuity, etc,) may be complex and often costly and time consuming. Enterprises sometimes engage outside experts to assist in annual calculations. Making similar estimates at interim dates often involves updating the provision made in the preceding annual financial statements rather than engaging outside experts to do a new calculation.

Contingencies:

Measurement of contingencies may involve obtaining opinion of legal experts or other advisers. Formal reports from independent experts are sometimes obtained with respect to contingencies. Such opinions about litigation, claims, assessments, and other contingencies and uncertainties may or may not be needed at interim dates.

Specialized industries:

Because of complexity, costlines, and time involvement, interim period measurements in specialized industries might be less precise than at financial year end. An example is calculation of insurance reserves by insurance companies.

Restatement of Previously Reported Interim Periods

A change in accounting policy, other than one for which the transition is specified by an Accounting Standard, should be reflected by restating the financial statements of prior interim periods of the current financial year.

One objective of the preceding principle is to ensure that a single accounting policy is applied to a particular class of transactions throughout an entire financial year. The effect of the principle above is to require that within the current financial year any change in accounting policy be applied restrospectively to the beginning of the financial year.

Transitional Provision

On the first occasion that an interim financial report is presented in accordance with this Statement, the following need not be presented in respect of all the interim periods of the current financial year:

(a) comparative statements of profit and loss for the comparable interim periods (current and year-to-date) of the immediately preceding financial year; and

(b) comparative cash flow statement for the comparable year-to-date period of the immediately preceding financial year. ■