

Separate disclosure items are items that are of such size, nature, or incidence that their disclosure becomes important to explain the performance of the enterprise for the period. Examples of items that, if material, would require such disclosure are as follows: a. Write-downs of inventories to net realisable value, or of property, plant and equipment to recoverable amounts, and subsequent reversals of such write-downs; b. Costs of restructuring the activities of an enterprise and any subsequent reversals of such provisions; c. Costs of litigation settlements; d. Other reversals of provisions. IFRS 5 created a new "held-for-sale" category of asset into which assets, or "disposal groups" of assets and liabilities that are to be sold, are classified. Such assets or groups of assets are to be valued at the lower of carrying value and fair value less any selling costs. Any resulting write-down appears, net of tax, as part of the caption "discontinued operations" in the statement of income. It must also:

- o Be a separate major line of business or geographical area of operations;
- o Be a part of a single coordinated plan for disposal;
- o Be a subsidiary acquired exclusively with a view to resale.

The two elements of the single line in the statement of income have to be analysed in the notes, breaking down the related income tax expense between the two, as well as showing the components of revenue, expense, and pre-tax profit of the discontinued items. For the asset or disposal group to be classified as held-for-sale, and its related earnings to be classified as discontinued, IFRS 5 says that the sale must be highly probable, the asset must be saleable in its current condition, and the sale price must be reasonable in relation to its fair value. The total of taxes payable and deferred taxation adjustments for the period covered by the income statement. IFRS 5 was issued by the IASB as part of its convergence programme with US GAAP. A discontinued operation is defined as a component of an entity that has either been disposed of or has been classified as held-for-sale. Where an operation meets the criteria for classification as discontinued but will be abandoned within one year rather than be sold, it should also be included in discontinued operations. The sale should be expected within one year of classification and the standard sets out stringent conditions for any extension of this, which are based on elements outside the control of the entity. Assets or disposal groups categorised as held-for-sale are not depreciated further. The appropriate level of management in the group must be committed to a plan to sell the asset and an active programme must have been embarked upon. The other component of this line is the post-tax profit or loss on discontinued operations. Discontinued operations. 6.7