

## ***IFRS 5 Non-current Assets Held for Sale and Discontinued Operations***

outlines how to account for non-current assets held for sale (or for distribution to owners). In general terms, assets (or disposal groups) held for sale are not depreciated, are measured at the lower of carrying amount and fair value less costs to sell, and are presented separately in the statement of financial position. Specific disclosures are also required for discontinued operations and disposals of non-current assets.

# Key provisions of IFRS 5 relating to assets held for sale

## Held-for-sale classification

- In general, the following conditions must be met for an asset (or 'disposal group') to be classified as held for sale: [IFRS 5.6-8]
- management is committed to a plan to sell
- The asset is available for immediate sale
- An active programme to locate a buyer is initiated
- The sale is highly probable, within 12 months of classification as held for sale (subject to limited exceptions)
- The asset is being actively marketed for sale at a sales price reasonable in relation to its fair value
- Actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn

IFRS 5 requires the following disclosures about assets (or disposal groups) that are held for sale: [IFRS 5.41]

- Description of the non-current asset or disposal group
- Description of facts and circumstances of the sale (disposal) and the expected timing
- Impairment losses and reversals, if any, and where in the statement of comprehensive income they are recognized

# IFRS 6 — Exploration for and Evaluation of Mineral Resources

- Exploration for and evaluation of mineral resources means the search for mineral resources, including minerals, oil, natural gas and similar non-regenerative resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource

- Exploration and evaluation expenditures are expenditures incurred in connection with the exploration and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource is demonstrable.

