

APPENDIX A

IFRSs with limited application to local authorities

A.1 INTRODUCTION

A.1.1 A small number of IFRSs are only expected to apply to local authorities in limited circumstances. As such, the Code does not include detailed accounting requirements for these IFRSs. Where an IFRS is relevant to a local authority, the authority shall comply with the requirements of the relevant IFRS. The standards not covered in detail in the Code are:

A.1.2 IAS 12 *Income Taxes (as amended)*, ~~SIC 21 *Income Taxes—Recovery of Revalued Non-Depreciated Assets* and~~ SIC 25 *Income Taxes – Changes in the Tax Status of an Entity or its Shareholders* relate to taxes on an entity's income (for example, corporation tax). They do not relate to accounting for VAT, council tax or non-domestic rates, which are covered elsewhere in the Code. IAS 12 is not expected to be relevant to an authority's single entity accounts. Group entities will account for their own tax; however a consolidation adjustment may be required in the group accounts where group entities have accounted for tax under UK GAAP. This standard was amended in December 2010 by *Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)*.

A.6 CHANGES SINCE THE 2010/11 CODE

A.6.1 ~~Whilst there have been no changes made to this section of the Code, authorities should be aware that IFRS 2 *Share-based Payment* has been amended by the *Improvements to IFRSs* issued in April 2009 and by *Group Cash-settled Share-based Payment Transactions* issued in June 2009 (both adopted by the EU in March 2010)~~ This section of the Code has been amended to reflect the amendments to IAS 12 in December 2010.