Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Bldg. EDSA, Greenhills, Mandaluyong City

SEC MEMORANDUM CIRCULAR NO. 5
SERIES OF 2007

ADOPTION OF PHILIPPINE STANDARD NO. 1 (REVISED 2007)

The Commission, in its Resolution No. 383, Series of 2007 dated October 19, 2007, approved the adoption of Philippine Accounting Standard (IAS) 1, *Presentation of Financial Statements*, (revised 2007), as a Philippine Financial Reporting Standard under SRC Rule 68.

This standard supersedes PAS 1 adopted in 2005. The revision on PAS 1 aims to improve users' ability to analyze and compare the information given in financial statements. One of the changes made will require information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. This will enable readers to analyze changes in a company's equity resulting from transactions with owners in their capacity as owners (such as dividends and share repurchases) separately from 'non-owner' changes (such as transactions with third parties). The revised standard likewise gives preparers of financial statements the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income).

An entity shall apply this PAS for annual periods beginning on or after January 1, 2009. Earlier application is permitted. If an entity applies this PAS for an earlier period, it shall disclose that fact.

Copies of the revised PAS 1 are available at the offices of the Philippine Institute of Certified Public Accountants (PICPA).

This Memorandum shall take effect fifteen (15) days following its publication in two (2) newspapers of general circulation.

Issued this 19 day of October 2007 at EDSA, Greenhills, Mandaluyong City,

FE B. BARIN
Chairperson