



IFRS 15 Revenue supplement

Guide to annual financial statements

IFRS®

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About this supplement

This supplement has been produced by the KPMG International Standards Group (part of KPMG IFRG Limited) to complement our [Guide to annual financial statements – Illustrative disclosures](#) (the September 2017 guide).

The September 2017 guide helps you to prepare financial statements in accordance with IFRS, illustrating one possible format for financial statements based on a fictitious multinational listed corporation; the corporation is not a first-time adopter of IFRS.

This supplement focuses on the disclosure requirements in IFRS 15 *Revenue from Contracts with Customers*, which are due to become effective for annual periods beginning on or after 1 January 2018. It provides IFRS 15 disclosure examples and explanations as a supplement to the September 2017 guide; as such, this supplement is not intended to reconcile to that guide.

This supplement does not illustrate all of the disclosures specified in IFRS 15, which will depend on an entity's underlying facts and circumstances; for a full list of the potential disclosures, see our [Guide to annual financial statements – Disclosure checklist](#) (September 2017).

The example disclosures in this supplement relate to a multinational listed corporation that is early adopting IFRS 15. The corporation provides telecommunication services and builds satellite communication systems. The entity is required to present only one year of comparative information, although some entities may be required to present comparative information for more than one year. In addition, the disclosures are intended to explain the relevant requirements and therefore may be more detailed than is necessary in some places. Individual entities should tailor the disclosures and their order to reflect their specific circumstances, including the materiality of the items concerned.

IFRS 15 offers a range of transition options. This guide illustrates:

- **the retrospective method**, using the practical expedient allowing non-disclosure of the amount of the transaction price allocated to the remaining performance obligations, and an explanation of when the entity expects to recognise that amount as revenue for all reporting periods presented before the date of initial application – i.e. 1 January 2017 (see [Part I](#));
- **the cumulative effect method**: i.e. recognising the cumulative effect of applying IFRS 15 as of 1 January 2017, with no restatement of the comparative period (see [Part II](#)); and
- disclosures when applying IFRS 15 **retrospectively with the practical expedient in paragraph C5(b)** (see the [Appendix](#)).

For further details of the transition options, see our publication [Transition to the new revenue standard – What is the best option for your business?](#)

This supplement includes the following illustrative disclosures:

- primary financial statements;
- revenue note, including significant accounting policies for revenue recognition;
- contract costs note;
- operating segments note; and
- changes in accounting policies note.

Revenue from contracts with customers

Illustrative examples

Structure of this supplement

References

References to standards are included in the left-hand margin of this supplement. Generally, the references relate only to presentation and disclosure requirements.

IFRS 15.123–126 Paragraphs 123 to 126 of IFRS 15.

[IFRS 15.31, 46–47] Paragraphs 31, 46 to 47 of IFRS 15. The square brackets are used only in significant accounting policies to indicate that the paragraph relates to recognition and measurement requirements, as opposed to presentation and disclosure requirements.

About IFRS 15

IFRS 15 replaces existing guidance and introduces a new model for revenue recognition that is based on the transfer of control. This may affect the timing and amount of revenue that entities will recognise under IFRS 15 compared with current practice. For some entities, there may be little change. However, arriving at this conclusion will require an understanding of the new model and an analysis of how it is applied to particular transactions.

All entities will be subject to the new disclosure requirements, which apply regardless of IFRS 15's impact on the revenue line.

IFRS 15 is effective for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

For further details of IFRS 15 and its impacts, see our publication [Issues In-Depth – Revenue from Contracts with Customers](#).

Disclosure requirements

IFRS 15 contains both quantitative and qualitative disclosure requirements for annual and interim periods. The disclosure requirements discussed in this publication relate to annual periods, unless indicated otherwise.

Under IFRS 15, an entity discloses more information about its contracts with customers than is currently required under IAS 18 *Revenue* and IAS 11 *Construction Contracts*, including more disaggregated information about revenue and more information about its performance obligations remaining at the reporting date.

IFRS 15.110

The objective of the disclosure requirements is to provide sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

IFRS 15.113, 129

An entity is required to disclose, separately from other sources of revenue, revenue recognised from contracts with customers, and any impairment losses recognised in accordance with IFRS 9 *Financial Instruments* (or IAS 39 *Financial Instruments: Recognition and Measurement* if applicable) on receivables or contract assets arising from contracts with customers. If an entity elects either the practical expedient not to adjust the transaction price for a significant financing component or the practical expedient not to capitalise costs incurred to obtain a contract, then it discloses that fact.

IFRS 15.114–128

IFRS 15 includes disclosure requirements on the disaggregation of revenue, contract balances, performance obligations and assets recognised to obtain or fulfil a contract, as well as significant judgements in the application of the standard.

Entities will need to assess whether their current systems and processes are capable of capturing, tracking, aggregating and reporting information to meet the disclosure requirements of the new standard. For many entities, this may require significant changes to existing data-gathering processes, IT systems and internal controls.

IFRS 15.114–115, B87–B89

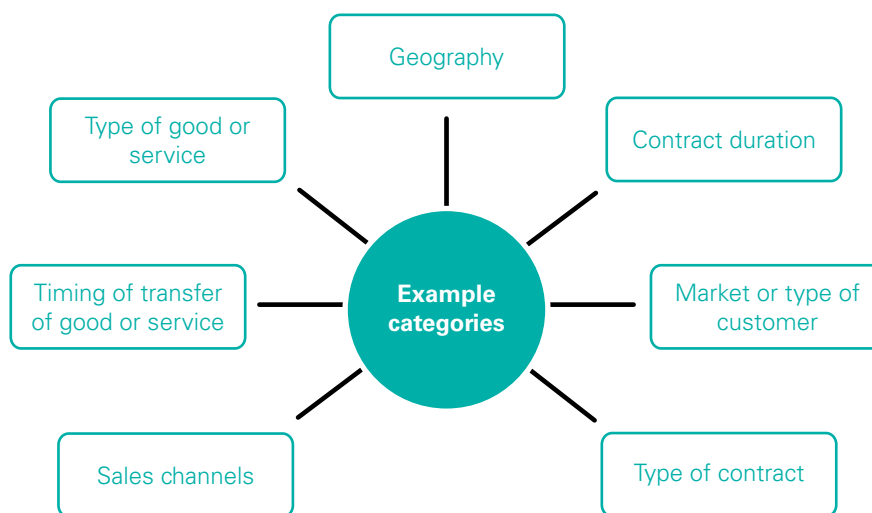
Disaggregation of revenue

IFRS 15 requires the disclosure of revenue from contracts with customers disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The standard includes examples of such categories.

An entity also discloses the relationship between the disaggregated revenue and the entity's segment disclosures.

In determining these categories, an entity considers how revenue is disaggregated, in:

- disclosures presented outside the financial statements – e.g. earnings releases, annual reports or investor presentations;
- information reviewed by the chief operating decision maker for evaluating the financial performance of operating segments; and
- other information similar to the above that is used by the entity or users of the entity's financial statements to evaluate performance or make resource allocation decisions.



Detailed disclosures

This section provides an overview of the disclosure requirements under the new revenue standard and highlights similarities with and differences from the existing disclosure requirements.

IFRS 15.116–118

Disclosure requirements	Revenue recognised		What's new?
	Over time	At a point in time	
Contract balances			
The opening and closing balances related to contracts with customers (if not otherwise separately presented or disclosed) for: <ul style="list-style-type: none"> – contract assets – contract liabilities – receivables from contracts with customers 	✓	✓	●
The amount of revenue recognised in the current period that was included in the opening contract liability balance	✓	✓	●
The amount of revenue recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods – e.g. changes in transaction price	✓	✓	●
An explanation of how the timing of satisfaction of the entity's performance obligations relates to the typical payment terms and how these two factors will affect the contract asset and contract liability balances	✓	✓	●
An explanation of the significant changes in the balances of contract assets and contract liabilities, including both qualitative and quantitative information – examples could include: <ul style="list-style-type: none"> – changes arising from business combinations – cumulative catch-up adjustments to revenue (and to the corresponding contract balance) arising from a change in the measure of progress, a change in the estimate of the transaction price or a contract modification – impairment of a contract asset – changes in the timeframe for a right to consideration becoming unconditional (reclassified to a receivable) or for a performance obligation to be satisfied (the recognition of revenue arising from a contract liability) 	✓	✓	●
Performance obligations			
When the entity typically satisfies its performance obligations – e.g. on shipment, on delivery, as services are rendered or on completion of service	✓	✓	●
Significant payment terms – e.g. whether the contract has a significant financing component, the consideration is variable and the variable consideration is constrained	✓	✓	●

IFRS 15.119–122



New disclosure required under IFRS 15



Existing requirement



Expanded requirements

Similar disclosure requirements exist under current standards^a; however, they are more detailed or specific under IFRS 15

a. For example, IAS 1 *Presentation of Financial Statements*, IAS 11, IAS 18, IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and IFRS 8 *Operating Segments*.

IFRS 15.119–122

IFRS 15.121, 129

IFRS 15.122

IFRS 15.123–126

Disclosure requirements	Revenue recognised		What's new?
	Over time	At a point in time	
Performance obligations (continued)			
The nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer goods or services (if the entity is acting as an agent)	✓	✓	●
Obligations for returns, refunds and other similar obligations	✓	✓	●
Types of warranties and related obligations	✓	✓	●
The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. A quantitative (using time bands) or a qualitative explanation of when the entity expects that amount to be recognised as revenue is also required	✓	✓	●
As a practical expedient, an entity is not required to disclose the transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations, and when the entity expects to recognise that revenue using quantitative or qualitative disclosures, if: <ul style="list-style-type: none"> – the contract has an original expected duration of one year or less – the entity applies the practical expedient to recognise revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the entity's performance completed to date – e.g. a service contract in which the entity bills a fixed hourly amount If an entity elects to use the practical expedient, then it discloses that fact			
The entity also discloses whether it is applying the practical expedient and whether any consideration from contracts with customers is not included in the transaction price – e.g. whether the amount is constrained and therefore not included in the disclosure	✓	✓	●
Significant judgements when applying IFRS 15			
An entity discloses the judgements and changes in judgements made in applying the new standard that affect the determination of the amount and timing of revenue recognition – specifically, those judgements used to determine the timing of the satisfaction of performance obligations, the transaction price, and amounts allocated to performance obligations	✓	✓	●

● **New disclosure required under IFRS 15**

● **Existing requirement**

● **Expanded requirements**
Similar disclosure requirements exist under current standards^a; however, they are more detailed or specific under IFRS 15

^a For example, IAS 1, IAS 11, IAS 18, IAS 37 and IFRS 8.

IFRS 15.123–126

Disclosure requirements	Revenue recognised		What's new?
	Over time	At a point in time	
Significant judgements when applying IFRS 15 (continued)			
For performance obligations that are satisfied over time, an entity describes the method used to recognise revenue – for example:	✓		
– a description of the output or input method and how those methods are applied			●
– why such methods are a faithful depiction of the transfer of goods or services			●
For performance obligations that are satisfied at a point in time, IFRS 15 requires a disclosure about the significant judgements made to evaluate when the customer obtains control of the promised goods or services		✓	●
An entity discloses information about the methods, inputs and assumptions used to:			
– determine the transaction price, which includes:			
– estimating variable consideration			
– assessing whether the variable consideration is constrained			
– adjusting the consideration for a significant financing component	✓	✓	●
– measuring non-cash consideration			
– allocate the transaction price, including estimating the stand-alone selling prices of promised goods or services and allocating discounts and variable consideration			
– measure obligations for returns and refunds, and other similar obligations			
Assets recognised from costs to obtain or fulfil a contract with a customer			
An entity discloses the following items that are recognised from the costs incurred to obtain or fulfil a contract with a customer:			
– the amount of amortisation	✓	✓	●
– any impairment losses recognised in the reporting period			
These items are separated by their main category – e.g. acquisition costs, pre-contract costs, set-up costs and other fulfilment costs			
An entity describes the judgements made in determining the amount of the costs incurred to obtain or fulfil a contract with a customer and the method used to determine the amortisation for each reporting period	✓	✓	●



New disclosure required under IFRS 15



Existing requirement



Expanded requirements

Similar disclosure requirements exist under current standards^a; however, they are more detailed or specific under IFRS 15

IFRS 15.127–128

a. For example, IAS 1, IAS 11, IAS 18, IAS 37 and IFRS 8.

Part I – The retrospective method

Explanatory notes

IFRS 15.C3, C5,
Insights 4.2A.490

- a. IFRS 15 offers a range of transition options. In **Part I** of this guide, the Group has initially applied IFRS 15 retrospectively, using the practical expedient allowing non-disclosure of the amount of the transaction price allocated to the remaining performance obligations, and an explanation of when it expects to recognise that amount as revenue for all reporting periods presented before the date of initial application – i.e. 1 January 2017.

For an illustration of the cumulative effect method, see **Part II** of this guide.

For an illustration of the disclosures when applying IFRS 15 retrospectively with the practical expedient in paragraph C5(b), see the **Appendix**.

IFRS 15.110,
IAS 1.29–30, 55, 77

- b. To meet the disclosure objective in IFRS 15 and comply with the presentation and disclosure guidance in IAS 1, an entity applies judgement in determining whether the following items should be presented separately (either in the statement of financial position or in the notes) or aggregated with another line item (and if so, then which line item):

- refund liability;
- costs to obtain a contract;
- costs to fulfil a contract;
- right to recover a returned good (asset);
- liability from repurchase agreement; and
- consideration paid to the customer (asset).

IAS 1.60–64

- c. An entity applies the requirements in IAS 1 in classifying an asset or a liability related to a contract with the customer as current or non-current.

IAS 1.10(f), 40A

- d. The Group has presented a third statement of financial position as at the beginning of the preceding period, because retrospective changes in accounting policy have a material effect on the information in the statement (see **Note 4**).

IAS 8.26,
Insights 2.8.50.110

- e. The Group has labelled the restated comparative information with the heading ‘restated’.

In our view, this is necessary to highlight to users the fact that the comparative information is not the same as the information previously presented in the prior year’s financial statements.

IFRS 15.B21, BC367

- f. IFRS 15 and other standards do not specify where assets for rights to recover products from customers with regard to sale with a right of return should be presented. The Group has included the assets in ‘inventories’ and discloses them separately in the related note (not illustrated).

IFRS 15.105, 109, A,
BC320

- g. Although this guide uses the term ‘contract assets’, an entity may also use other terms.

IFRS 15.105, 108,
BC322–BC326

- h. Any unconditional rights to consideration are presented separately as a receivable. A right to consideration is ‘unconditional’ if only the passage of time is required before payment of that consideration is due.

IFRS 15.55

- i. The Group has presented its refund liabilities as ‘trade and other payables’ under IFRS 15. The Group’s returns policy offers only an exchange for another good or store credit – i.e. the Group does not offer a cash refund. Therefore, refund liabilities do not meet the definition of a financial liability in IAS 32. If a refund liability or a liability related to a repurchase agreement meets the definition of a financial liability in IAS 32 *Financial Instruments: Presentation*, then it is subject to the disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*.

IFRS 15.105, 109,
BC320–BC321

- j. Although this guide uses the term ‘contract liabilities’, an entity may also use other terms.

IFRS 15.B30

- k. If a customer does not have the option to purchase a warranty separately, then an entity accounts for the warranty in accordance with IAS 37 unless the promised warranty, or a part of the promised warranty, provides the customer with a service in addition to the assurance that the product complies with agreed-on specifications.

IAS 1.10(a), 29,
 38–38A, 113

Consolidated statement of financial position^{a, b, c}

<i>In thousands of euro</i>	<i>Note</i>	31 December 2017	31 December 2016 Restated* ^e	1 January 2016 Restated* ^d
Assets				
Property, plant and equipment		XXX	XXX	XXX
Intangible assets and goodwill		XXX	XXX	XXX
Equity-accounted investees		2,686	2,028	1,530
Other investments		XXX	XXX	XXX
Deferred tax assets		934	1,040	898
Contract costs	2	2,296	2,398	2,184
Non-current assets		60,257	55,654	58,038
Inventories ^f		4,927	3,793	5,587
Contract assets ^g	1	721	1,681	1,573
Other investments		XXX	XXX	XXX
Trade and other receivables ^h		19,701	17,946	17,651
Cash and cash equivalents		XXX	XXX	XXX
Current assets		34,963	31,170	29,490
Total assets		95,220	86,824	87,528
Equity				
Share capital		XXX	XXX	XXX
Reserves		XXX	XXX	XXX
Retained earnings		23,966	16,416	10,619
Equity attributable to owners of the Company		42,963	34,113	28,316
Non-controlling interests		1,950	1,563	1,257
Total equity		44,913	35,676	29,573
Liabilities				
Provisions		XXX	XXX	XXX
Deferred tax liabilities		2,420	2,428	2,558
Non-current liabilities		5,133	5,447	5,018
Current tax liabilities		XXX	XXX	XXX
Loans and borrowings		XXX	XXX	XXX
Trade and other payables ⁱ		28,866	26,009	25,669
Contract liabilities ^j	1	5,567	5,202	5,140
Employee benefits		XXX	XXX	XXX
Provisions ^k		609	499	426
Current liabilities		45,174	45,701	52,937
Total liabilities		50,307	51,148	57,955
Total equity and liabilities		95,220	86,824	87,528

* See Note 4.

The notes on pages XX to XX are an integral part of these consolidated financial statements.

Explanatory notes

IAS 1.81B

- a.** For illustrative purposes, this guide provides only an example of a consolidated statement of profit or loss and other comprehensive income, without presenting:
- the allocation of profit or loss and total comprehensive income to non-controlling interests and owners of the parent; and
 - basic and diluted earnings per share.

IFRS 15.65, BC246

- b.** The effect of financing (interest income or interest expense) is presented separately from revenue from contracts with customers in the statement of profit or loss and other comprehensive income and included in ‘finance income’ and ‘finance costs’, respectively.

IAS 1.10(b), 29,
38–38A, 113

Consolidated statement of profit or loss and other comprehensive income^a

For the year ended 31 December

<i>In thousands of euro</i>	Note	2017	2016 Restated*
Profit			
Revenue	1	116,579	118,603
Cost of sales		(69,571)	(78,153)
Gross profit		47,008	40,450
Other income		XXX	XXX
Selling and distribution expenses		(15,562)	(15,865)
Administrative expenses		XXX	XXX
Other expenses		XXX	XXX
Operating profit		10,334	9,624
Finance income ^b		2,331	1,235
Finance costs ^b		(1,977)	(125)
Net finance income/(costs)		354	(1,110)
Share of profit of equity-accounted investees, net of tax		641	531
Profit before tax		11,329	9,045
Income tax expense		(3,392)	(2,942)
Profit for the period		7,937	6,103
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		XXX	XXX
Equity-accounted investees – share of OCI		(XXX)	(XXX)
Available-for-sale financial assets – net change in fair value		XXX	XXX
Related tax		(XXX)	(XXX)
Other comprehensive income, net of tax		XXX	XXX
Total comprehensive income		XXX	XXX

* See Note 4.

The notes on pages XX to XX are an integral part of these consolidated financial statements.

Explanatory notes

IFRS 15.C5,
Insights 4.2A.490

- a. In **Part I** of this guide, the Group has initially applied IFRS 15 *retrospectively*, using the practical expedient in paragraph C5(c) of IFRS 15 in relation to remaining performance obligations. This guide assumes that the practical expedient in paragraph C5(a) of IFRS 15 has no impact on the financial statements.

Consolidated statement of changes in equity^a

For the year ended 31 December

In thousands of euro	Note	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
		Share capital	Share premium	Translation reserve	Fair value reserve	Retained earnings			
Balance at 1 January 2016, as previously reported		XXX	XXX	XXX	XXX	5,700	23,397	1,214	24,611
Impact of change in accounting policy	4	XXX	XXX	XXX	XXX	4,919	4,919	43	4,962
Restated balance at 1 January 2016		XXX	XXX	XXX	XXX	10,619	28,316	1,257	29,573
Total comprehensive income									
Restated profit for the period	4	-	-	-	-	5,797	5,797	306	6,103
Restated other comprehensive income	4	-	-	XXX	XXX	XXX	XXX	XXX	XXX
Restated total comprehensive income		-	-	XXX	XXX	XXX	XXX	XXX	XXX
Restated balance at 31 December 2016 and 1 January 2017		XXX	XXX	XXX	XXX	16,416	34,113	1,563	35,676
Total comprehensive income									
Profit for the period		-	-	-	-	7,550	7,550	387	7,937
Other comprehensive income		-	-	XXX	XXX	XXX	XXX	XXX	XXX
Total comprehensive income		-	-	XXX	XXX	XXX	XXX	XXX	XXX
Transactions with owners of the Company									
Business combination		XXX	XXX	-	-	-	XXX	-	XXX
Total transactions with owners of the Company		XXX	XXX	-	-	-	XXX	-	XXX
Balance at 31 December 2017		XXX	XXX	XXX	XXX	23,966	42,963	1,950	44,913

The notes on pages XX to XX are an integral part of these consolidated financial statements.

IAS 1.10(c), 29,
38-38A, 113

IAS 1.106(b)

Explanatory notes

IFRS 15.C5,
Insights 4.2A.490

a. In Part I of this guide, the Group has initially applied IFRS 15 *retrospectively*, using the practical expedient in paragraph C5(c) of IFRS 15 in relation to remaining performance obligations. This guide assumes that the practical expedient in paragraph C5(a) of IFRS 15 has no impact on the financial statements.

IAS 7.18(b)

b. If interest expense is recognised due to a significant financing component in respect of a contract liability and an entity applies the indirect method to present cash flows from operating activities, then the interest is presented as a non-cash transaction in the reconciliation.

Conversely, if interest income is recognised in respect of a contract asset, then that interest is presented as a cash transaction.

Consolidated statement of cash flows^a

For the year ended 31 December

IAS 1.10(d), 29,
38–38A, 113

IAS 7.18(b)

IAS 7.31–32

IAS 7.35

IAS 7.10

IAS 7.31

IAS 7.10

IAS 7.10

IAS 7.28

	Note	2017	2016 Restated*
<i>In thousands of euro</i>			
Cash flows from operating activities			
Profit for the period		7,937	6,103
Adjustments for:			
– Net finance (income)/costs		(354)	1,110
– Share of profit of equity-accounted investees, net of tax		(641)	(531)
– Tax expense		3,392	2,942
– [...]		XXX	XXX
Changes in:			
– Inventories		(1,134)	1,794
– Contract costs	2	102	(214)
– Contract assets ^b	1	960	(108)
– Trade and other receivables		(1,755)	(295)
– Trade and other payables		2,857	340
– Provisions and employee benefits		XXX	XXX
– Contract liabilities ^b	1	365	62
Cash generated from operating activities		XXX	XXX
Interest paid		XXX	XXX
Taxes paid		XXX	XXX
Net cash from operating activities		XXX	XXX
Cash flows from investing activities			
Interest received		713	635
[...]		XXX	XXX
Net cash from investing activities		XXX	XXX
Cash flows from financing activities			
[...]		XXX	XXX
Net cash from financing activities		XXX	XXX
Net decrease in cash and cash equivalents		XXX	XXX
Cash and cash equivalents at 1 January		XXX	XXX
Effect of movements in exchange rates on cash held		XXX	XXX
Cash and cash equivalents at 31 December		XXX	XXX

* See Note 4.

The notes on pages XX to XX are an integral part of these consolidated financial statements.

Explanatory notes

<i>IAS 1.113–114</i>	<p>a. Notes are presented, to the extent practicable, in a systematic order and are cross-referred to/from items in the primary statements. In determining a systematic manner of presentation, an entity considers the effect on the understandability and comparability of the financial statements. The Group has applied its judgement in presenting related information together in cohesive sections. The order presented is only illustrative and entities need to tailor the way the notes are organised to fit their specific circumstances.</p>
<i>IFRS 15.BC354</i>	<p>b. Under previous requirements in IFRS, entities had to disclose their accounting policies for recognising revenue. However, some users of financial statements raised concerns that in many cases, entities provided a 'boilerplate' description of the accounting policy without explaining how that accounting policy related to the contracts that the entity enters into with customers. To address this criticism, paragraph 119 of IFRS 15 requires an entity to disclose information about its performance obligations in contracts with customers. This disclosure complements the accounting policy disclosure requirements in existing standards by requiring an entity to provide more descriptive information about its performance obligations.</p> <p>The Group presents significant accounting policies in the relevant notes, rather than combining them in a separate note.</p>
<i>IAS 1.112(a), 117(b), 119, 121</i>	<p>The accounting policies included in this guide reflect the circumstances of the Group and are limited to the specific policies that are relevant to an understanding of the Group's revenue accounting.</p> <p>These examples of accounting policies should not be relied on for a complete understanding of IFRS 15 and should not be used as a substitute for referring to the standard. To help you identify the underlying requirements in IFRS 15, references to the relevant requirements in the standard have been included.</p>
<i>IFRS 15.111, 119, IAS 1.31</i>	<p>c. IFRS 15 requires detailed disclosure of entities' performance obligations in contracts with customers. The standard does not specify the level of detail required for this information – i.e. judgement is required in this regard.</p>
<i>IFRS 15.119(e), B28–B33</i>	<p>d. An 'assurance warranty' is a warranty that only covers the compliance of a product with agreed-on specifications. A 'service warranty' provides the customer with a service in addition to the assurance that the product complies with agreed-on specifications. Service warranties are accounted for as separate performance obligations and the entity allocates a portion of the transaction price to that performance obligation.</p>

Notes to the consolidated financial statements (extract)

1. Revenue^a

A. Significant accounting policy

[IFRS 15.31, 46–47]

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

B. Nature of goods and services^{b, c}

IFRS 15.115, 119

The following is a description of principal activities – separated by reportable segments – from which the Group generates its revenue. For more detailed information about reportable segments, see Note 3.

i. Telecom segments

The Telecom segments of the Group principally generate revenue from providing mobile telecommunication services, such as access to the network, airtime usage, messaging and internet services, as well as from sales of mobile devices and extended warranties. Products and services may be sold separately or in bundled packages. The typical length of a contract for bundled packages is 24 months.

[IFRS 15.22(a), 27
73–74, 79]

For bundled packages, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the mobile devices, extended warranty and telecommunication services. For items that are not sold separately – e.g. customer loyalty programme – the Group estimates stand-alone selling prices using the adjusted market assessment approach.

IFRS 15.119

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Mobile devices	The Group recognises revenue when a customer takes possession of the device. This usually occurs when the customer signs a new contract. The amount of revenue recognised for mobile devices is adjusted for expected returns, which are estimated based on the historical data for specific models, adjusted as necessary to estimate returns for new models. Returned goods are exchanged only for new goods or store credit – i.e. no cash refunds are offered. For mobile devices sold separately, customers pay in full at the point of sale. For mobile devices sold in bundled packages, customers usually pay monthly in equal instalments over a period of 24 months.
Mobile telecommunication services	Mobile telecommunication services include voice, data and text services. The Group recognises revenue as mobile services are provided. Mobile services are billed and paid for on a monthly basis.
Extended warranty^d	The Group recognises revenue for extended warranties on a straight-line basis over the extended warranty period. In the majority of countries in which the Group operates, the statutory warranty period is one year and the extended warranty covers periods beyond year one. The payment terms for extended warranties are similar to those for mobile devices.
Customer loyalty programme	Under its customer loyalty programme, the Group allocates the equivalent of 0.5% of the consideration received for mobile devices and mobile telecommunication services to loyalty points that are redeemable against any future purchases of the Group's products or services. The amount is deferred in the statement of financial position and is recognised as revenue when the points are redeemed.

IFRS 15.119

IFRS 15.119

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Notes to the consolidated financial statements (extract)

1. Revenue (continued)

B. Nature of goods and services (continued)

ii. SATCOM segments

The SATCOM segments of the Group principally generate revenue from building and delivering satellite communication systems and equipment under long-term contracts with government agencies and other non-government customers. All SATCOM contracts include a standard warranty clause to guarantee that satellite communication systems comply with agreed specifications.

IFRS 15.119, 123(a)

Contracts with government	Under SATCOM contracts with government agencies, the government controls all of the work in progress as satellite communication systems are being built. Revenue is recognised progressively based on the cost-to-cost method. Payment terms for contracts with government agencies are usually based on equal instalments over the duration of the contract. If the Group has recognised revenue but not issued a bill, then the entitlement to consideration is recognised as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.
Other contracts	Under other SATCOM contracts, customers do not take control of the satellite communication systems until they are completed. Revenue is recognised on formal acceptance by the customer. On signing of the contract, customers are usually required to make an advance payment of 20% of the contract value, which is refundable if the contract is cancelled. The rest of the consideration is payable on acceptance.
Warranty	All SATCOM contracts include a standard warranty clause to guarantee that satellite communication systems comply with agreed specifications. Based on historical data, the Group has recognised a provision of 0.4% of contract consideration for this warranty.

Explanatory notes

IFRS 15.114, B88, IE210–IE211

- a. The extent to which an entity's revenue is disaggregated for the purposes of this disclosure depends on the facts and circumstances of the entity's contracts with customers. Some entities may need to use more than one type of category to meet the objective in paragraph 114 of IFRS 15 for disaggregating revenue. Other entities may meet the objective by using only one type of category.

IFRS 15.B89

- b. Examples of categories that might be appropriate include, but are not limited to, the following.

Type of category	Example
Type of good or service	Major product lines
Geographical region	Country or region
Market or type of customer	Government and non-government customers
Type of contract	Fixed-price and time-and-materials contracts
Contract duration	Short-term and long-term contracts
Timing of transfer of goods or services	Goods or services transferred to customers: <ul style="list-style-type: none"> – at a point in time – over time
Sales channels	Goods or services sold: <ul style="list-style-type: none"> – directly to consumers – through intermediaries

IFRS 15.115

- c. An entity is required to disclose sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue and revenue information that is disclosed for each reportable segment, if the entity applies IFRS 8.

IFRS 15.112, BC339–BC340, 8.33(a)

- d. An entity need not disclose information in accordance with IFRS 15 if it has provided the information in accordance with another standard.

The Group has disclosed the geographical information about revenues from external customers attributed to the Parent's country of domicile and attributed to foreign countries from which the Group derives revenues in accordance with IFRS 8. In addition, the Group has disaggregated the revenue into geographical regions for each reportable segment in this table.

Notes to the consolidated financial statements (extract)

1. Revenue (continued)

C. Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's four strategic divisions, which are its reportable segments (see Note 3).^{a, b}

	Reportable segments ^c													
	Telecom – EU		Telecom – Non-EU		SATCOM – Government		SATCOM – Non-government		Total reportable segments		All other segments		Total	
	2017	2016 Restated*	2017	2016 Restated*	2017	2016 Restated*	2017	2016 Restated*	2017	2016 Restated*	2017	2016 Restated*	2017	2016 Restated*
<i>In thousands of euro</i>														
Primary geographical markets^d														
Europe	44,118	43,092	-	-	12,498	17,479	2,912	486	59,528	61,057	44	56	59,572	61,113
North America	-	-	22,053	23,112	10,045	10,714	1,356	1,418	33,454	35,244	477	500	33,931	35,744
Asia	-	-	18,314	14,948	-	-	4,699	6,742	23,013	21,690	63	56	23,076	21,746
	44,118	43,092	40,367	38,060	22,543	28,193	8,967	8,646	115,995	117,991	584	612	116,579	118,603
Major products/service lines														
Mobile devices	15,487	14,986	14,296	13,998	-	-	-	-	29,783	28,984	-	-	29,783	28,984
Mobile telecommunications service	27,213	26,978	24,911	22,985	-	-	-	-	52,124	49,963	-	-	52,124	49,963
Extended warranty	1,228	1,013	1,101	996	-	-	-	-	2,329	2,009	-	-	2,329	2,009
SATCOM products	-	-	-	-	21,341	27,207	8,422	8,155	29,763	35,362	-	-	29,763	35,362
Other	190	115	59	81	1,202	986	545	491	1,996	1,673	584	612	2,580	2,285
	44,118	43,092	40,367	38,060	22,543	28,193	8,967	8,646	115,995	117,991	584	612	116,579	118,603
Timing of revenue recognition														
Products transferred at a point in time	15,677	15,101	14,355	14,079	1,202	986	8,422	8,155	39,656	38,321	254	288	39,910	38,609
Products and services transferred over time	28,441	27,991	26,012	23,981	21,341	27,207	545	491	76,339	79,670	330	324	76,669	79,994
	44,118	43,092	40,367	38,060	22,543	28,193	8,967	8,646	115,995	117,991	584	612	116,579	118,603

* See Note 4.

IFRS 15.114–115

Explanatory notes

- IFRS 15.116(a)* **a.** An entity discloses the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers if they are not otherwise separately presented or disclosed.
- IFRS 15.35(c), 108, BC145* **b.** This guide assumes that although the Group has an enforceable right to payment for performance completed to date for many of the SATCOM products, it does not necessarily have a present unconditional right to consideration.
- IFRS 15.118, BC346* **c.** Although IFRS 15 does not require a tabular reconciliation of the aggregated contract balances, it requires the explanation of significant changes in the contract asset and the contract liability balances during the reporting period to include both qualitative and quantitative information.
- IFRS 7.20(e), 15.112, 113(b)* **d.** An entity is required to disclose impairment losses recognised on receivables from contracts with customers, if any exist. Given the requirements of IFRS 7, this guide assumes that this disclosure has been included in the financial instruments note.

Notes to the consolidated financial statements (extract)

1. Revenue (continued)**D. Contract balances**

IFRS 15.116(a)

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.^a

	31 December 2017	31 December 2016 Restated*	1 January 2016 Restated*
<i>In thousands of euro</i>			
Receivables, which are included in 'Trade and other receivables' ^b	12,615	10,654	10,485
Contract assets	721	1,681	1,573
Contract liabilities	(5,567)	(5,202)	(5,140)

IFRS 15.116(c)

The amount of revenue recognised in 2017 from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to the changes in the estimate of the stage of completion of SATCOM contracts with government, is €265 thousand (2016: €105 thousand).

IFRS 15.117

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on government SATCOM contracts and mobile handsets. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the advance consideration received from customers for non-government SATCOM contracts, for which revenue is recognised on completion of satellite communication systems.

IFRS 15.118

Significant changes in the contract assets and the contract liabilities balances during the period are as follows.^{c, d}

	2017		2016 Restated*	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
<i>In thousands of euro</i>				
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	4,294	-	3,985
Increases due to cash received, excluding amounts recognised as revenue during the period	-	(4,328)	-	(4,047)
Transfers from contract assets recognised at the beginning of the period to receivables	(1,591)	-	(1,495)	-
Increases as a result of changes in the measure of progress	631	-	1,603	-
Business combination	-	(331)	-	-

IFRS 15.118(b),
IE37-IE41

IFRS 15.118(a)

* See Note 4.

Explanatory notes

- | | |
|-----------------------------|--|
| <i>IFRS 15.111</i> | <ul style="list-style-type: none"> a. IFRS 15 does not require the disclosure of information about remaining performance obligations by product and/or service. However, the Group believes that the disaggregated information provided enables users of financial statements to better understand the nature, amount, timing and uncertainty of revenue and cash flows. |
| <i>IFRS 15.120(b)(i)</i> | <ul style="list-style-type: none"> b. IFRS 15 requires disclosure based on the time bands that would be most appropriate for the duration of the remaining performance obligations. The Group uses a one-year time band. |
| <i>IFRS 15.C5(c)</i> | <ul style="list-style-type: none"> c. As a practical expedient, an entity that applies IFRS 15 for the first time need not disclose the amount of the transaction price allocated to the remaining performance obligations for reporting periods presented before the date of initial application. |
| <i>IFRS 15.C6(b), BC437</i> | <ul style="list-style-type: none"> d. IFRS 15 requires an entity using the practical expedients in paragraph C5 of IFRS 15 to disclose – to the extent reasonably possible – a qualitative assessment of the estimated effect of applying each of those expedients. The Group considers that the practical expedient applied is only relevant to the disclosure of the amount of the transaction price allocated to the remaining performance obligations and therefore does not provide additional qualitative disclosure. |

Notes to the consolidated financial statements (extract)

1. Revenue (continued)**E. Transaction price allocated to the remaining performance obligations^a**

IFRS 15.120

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

<i>In thousands of euro</i>	2018^b	2019^b	2020^b	Total
IFRS 15.120(b)(i) Mobile telecommunications service	26,545	13,154	-	39,699
IFRS 15.120(b)(i) Extended warranty service	1,856	1,053	-	2,909
IFRS 15.120(b)(i) SATCOM products	28,765	14,357	1,096	44,218

IFRS 15.121–122

No consideration from contracts with customers is excluded from the amounts presented above.

IFRS 15.120(b)(iii),
IE220–IE221

As at 31 December 2017, the amount allocated to the customer loyalty programme is €6,584 thousand. This will be recognised as revenue as the customer loyalty programme points are redeemed, which is expected to occur over the next three years.^c

IFRS 15.121–122

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

IFRS 15.C6

The Group applies the practical expedient in paragraph C5(c) of IFRS 15 and does not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Group expects to recognise that amount as revenue for the year ended 31 December 2016.^d

2. Contract costs

IFRS 15.127(a)

Management expects that incremental commission fees paid to intermediaries as a result of obtaining SATCOM contracts are recoverable. The Group has therefore capitalised them as contract costs in the amount of €2,296 thousand at 31 December 2017 (2016: €2,398 thousand).

IFRS 15.99, 127(b),
128(b)

Capitalised commission fees are amortised when the related revenues are recognised. In 2017, the amount of amortisation was €1,358 thousand (2016: €1,296 thousand) and there was no impairment loss in relation to the costs capitalised.

IFRS 15.94, 129

Applying the practical expedient in paragraph 94 of IFRS 15, the Group recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

Explanatory notes

IFRS 8.28

- a. This guide provides an example of disclosures in relation to reportable segments to enable readers to understand the relationship between the disclosure of disaggregated revenue and revenue information that is disclosed for each reportable segment.
Other disclosures of segment information, including amortisation of contract costs, are not illustrated.

IFRS 8, 15.119(c)

- b. An entity is required to disclose the nature of the goods or services that it has promised to transfer. In this guide, more detailed information about the nature of the goods and services is included in [Note 1](#).

Notes to the consolidated financial statements (extract)

3. Operating segments^a

A. Basis for segmentation

The Group has the following four strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they have different economic characteristics – e.g. trends in sales growth, rates of return on assets and level of capital investment – and have different marketing strategies.

The following summary describes the operations of each reportable segment.^b

Reportable segments		Operations
Telecom	EU	Providing mobile telecommunication services and selling mobile devices in the 28 EU countries
	Non-EU	Providing mobile telecommunication services and selling mobile devices in jurisdictions outside the EU
SATCOM	Government	Developing satellite communication systems and equipment for government agencies
	Non-government	Developing satellite communication systems and equipment for non-government organisations

The Group CEO reviews the internal management reports of each segment at least quarterly.

Other operations include the manufacturing of electronic equipment and related parts. None of these segments met the quantitative thresholds for reportable segments in 2017 or 2016.

Inter-segment pricing is determined on an arm's length basis.

IFRS 8.20–22

IFRS 8.27(a)

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Notes to the consolidated financial statements (extract)

3. Operating segments (continued)

B. Information about reportable segments

IFRS 8.27

Information related to each reportable segment is set out below. Segment profit before tax, as included in internal management reports reviewed by the Group CEO, is used to measure performance because management believes that such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

IFRS 8.16

	Reportable segments													
	Telecom – EU		Telecom – Non-EU		SATCOM – Government		SATCOM – Non-government		Total reportable segments		All other segments		Total	
	2017	2016 Restated*	2017	2016 Restated*	2017	2016 Restated*	2017	2016 Restated*	2017	2016 Restated*	2017	2016 Restated*	2017	2016 Restated*
<i>In thousands of euro</i>														
External revenues	44,118	43,092	40,367	38,060	22,543	28,193	8,967	8,646	115,995	117,991	584	612	116,579	118,603
Inter-segment revenue	2,375	2,196	1,275	1,177	181	223	612	583	4,443	4,179	12	15	4,455	4,194
Segment revenue	46,493	45,288	41,642	39,237	22,724	28,416	9,579	9,229	120,438	122,170	596	627	121,034	122,797
Segment profit (loss) before tax	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Interest income	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Interest expense	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Depreciation and amortisation	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Share of profit (loss) of equity-accounted investees	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
[...]														

* See Note 4.

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Notes to the consolidated financial statements (extract)

3. Operating segments (continued)**C. Reconciliations of information on reportable segments to IFRS measures**

<i>In thousands of euro</i>	2017	2016 Restated*
i. Revenues		
Total revenue for reportable segments	120,438	122,170
Revenue for other segments	596	627
Elimination of inter-segment revenue	(4,455)	(4,194)
Consolidated revenue	116,579	118,603

ii. Profit before tax

[...]

iii. Assets

[...]

iv. Liabilities

[...]

* See Note 4.

D. Geographic information

The Telecom and SATCOM segments are managed on a worldwide basis, but the manufacturing facilities and sales offices are primarily located in the UK, the US, China, Germany, the Netherlands and France.

The geographic information below analyses the Group's revenue and non-current assets by the Parent's country of domicile and all foreign countries. In presenting the following information, segment revenue is based on the geographic location of customers and segment assets are based on the geographic location of the assets.

i. Revenue

<i>In thousands of euro</i>	2017	2016 Restated*
UK	31,696	34,298
All foreign countries		
US	31,654	33,641
China	21,709	20,445
Germany	13,556	12,877
Netherlands	8,181	7,994
France	4,001	4,384
Other countries	5,782	4,964
	116,579	118,603

ii. Non-current assets

[...]

XXX

XXX

* See Note 4.

E. Major customer

Revenues from one customer of the Group's SATCOM – Government segment represented approximately €20,000 thousand (2016: €17,500 thousand) of the Group's total revenues.

IFRS 8.28(a)

IFRS 8.28(b)

IFRS 8.28(c)

IFRS 8.28(d)

IFRS 8.33(a)–(b)

IFRS 8.34

Explanatory notes

IFRS 15.BC437–
BC444

- a. In [Part I](#) of this guide, the Group has initially applied IFRS 15 *retrospectively*, using the practical expedient in paragraph C5(c) of IFRS 15 in relation to remaining performance obligations. This guide assumes that the practical expedient in paragraph C5(a) of IFRS 15 has no impact on the financial statements.

For an illustration of the cumulative effect method, see [Part II](#) of this guide.

For an illustration of the disclosures when applying IFRS 15 retrospectively with the practical expedient in paragraph C5(b), see the [Appendix](#).

- b. The Group has investments in some associates and joint ventures, which are accounted for using the equity method in accordance with IAS 28 *Investments in Associates and Joint Ventures*. As a result of the early adoption of IFRS 15 by the Group, IFRS 15 is also applied in the financial statements of those associates and joint ventures for the purpose of applying IAS 28 in the Group's consolidated financial statements.
- c. In this guide, the refund liability does not meet the definition of a financial liability under IAS 32. If a refund liability or a liability related to a repurchase agreement meets the definition of a financial liability, then it is subject to the disclosure requirements in IFRS 7.

Notes to the consolidated financial statements (extract)

4. Changes in accounting policies^{a, b}

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

IFRS 15.C1, IAS 8.20

The Group has early adopted IFRS 15 *Revenue from Contracts with Customers* with a date of initial application of 1 January 2017. As a result, the Group has changed its accounting policy for revenue recognition as detailed below.

IAS 8.28,
IFRS 15.C5(c),
C6(a)

The Group applied IFRS 15 **retrospectively** using the practical expedient in paragraph C5(c) of IFRS 15, under which the Group does not disclose the amount of consideration allocated to the remaining performance obligations or an explanation of when the Group expects to recognise that amount as revenue for all reporting periods presented before the date of initial application – i.e. 1 January 2017. The details and quantitative impact of the changes in accounting policies are disclosed below.

A. Sales of mobile devices in bundled packages

For mobile devices sold in bundled packages, the Group previously limited revenue to the amount that was not contingent on the provision of future telecommunication services. That was typically the amount received from the customer on signing the contract. Under IFRS 15, the total consideration in the contract is allocated to all products and services – e.g. mobile devices, extended warranties and mobile telecommunication services – based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the mobile devices, extended warranties and telecommunication services.

B. Refunds

For the sale of mobile devices, the Group previously recognised revenue in full and recorded a separate refund liability for expected returns as ‘provisions’. Under IFRS 15, the Group reduces revenue by the amount of expected returns and records it as ‘trade and other payables’. No cash refunds are offered for returns and the related liability is not a financial liability.^c The Group continues to estimate the amount of returns based on the historical data for specific models, adjusted as necessary to estimate returns for new models.

In addition, the Group recognises a related asset for the right to recover returned mobile devices.

C. SATCOM products

Previously, the Group recognised revenue for all SATCOM products when the customers took delivery of the products and formally accepted them because these contracts did not meet the definition of a construction contract under IAS 11. Under IFRS 15, the Group recognises revenue when a customer obtains control over satellite communication systems. Under SATCOM contracts with government agencies, the government controls all of the work in progress, as satellite communication systems are being built. Therefore, for such contracts revenue is recognised progressively based on the cost-to-cost method. Under other SATCOM contracts, customers do not take control of the satellite communication systems until they are completed; therefore, the Group continues to recognise revenue for such contracts when products are delivered to customers and customers formally accept them.

D. Commission fees payable

The Group previously recognised commission fees payable related to SATCOM contracts as selling expenses when they were incurred. Under IFRS 15, the Group capitalises these commission fees as costs of obtaining a contract when they are incremental and – if they are expected to be recovered – it amortises them consistently with the pattern of revenue for the related contract. If the expected amortisation period is one year or less, then the commission fee is expensed when incurred.

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Notes to the consolidated financial statements (extract)

4. Changes in accounting policies (continued)**E. Impacts on financial statements**

The following tables summarise the impacts of adopting IFRS 15 on the Group's consolidated financial statements.

i. Consolidated statement of financial position

1 January 2016 <i>In thousands of euro</i>	Impact of changes in accounting policies		
	As previously reported	Adjustments	As restated
Equity-accounted investees	1,507	23	1,530
Deferred tax assets	1,094	(196)	898
Inventories	6,869	(1,282)	5,587
Contract costs	-	2,184	2,184
Contract assets	-	1,573	1,573
Trade and other receivables	13,089	4,562	17,651
Other	58,105	-	58,105
Total assets	80,664	6,864	87,528
Deferred tax liabilities	(95)	(2,463)	(2,558)
Trade and other payables	(25,664)	(5)	(25,669)
Contract liabilities	-	(5,140)	(5,140)
Deferred revenue	(5,701)	5,701	-
Provisions (current)	(431)	5	(426)
Other	(24,162)	-	(24,162)
Total liabilities	(56,053)	(1,902)	(57,955)
Retained earnings	(5,700)	(4,919)	(10,619)
Non-controlling interests	(1,214)	(43)	(1,257)
Other	(17,697)	-	(17,697)
Total equity	(24,611)	(4,962)	(29,573)
	Impact of changes in accounting policies		
31 December 2016 <i>In thousands of euro</i>	As previously reported	Adjustments	As restated
Equity-accounted investees	2,011	17	2,028
Deferred tax assets	1,593	(553)	1,040
Inventories	5,752	(1,959)	3,793
Contract costs	-	2,398	2,398
Contract assets	-	1,681	1,681
Trade and other receivables	13,401	4,545	17,946
Other	57,938	-	57,938
Total assets	80,695	6,129	86,824
Deferred tax liabilities	(95)	(2,333)	(2,428)
Trade and other payables	(26,003)	(6)	(26,009)
Contract liabilities	-	(5,202)	(5,202)
Deferred revenue	(6,783)	6,783	-
Provisions (current)	(505)	6	(499)
Other	(17,010)	-	(17,010)
Total liabilities	(50,396)	(752)	(51,148)
Retained earnings	(11,104)	(5,312)	(16,416)
Non-controlling interests	(1,498)	(65)	(1,563)
Other	(17,697)	-	(17,697)
Total equity	(30,299)	(5,377)	(35,676)

IAS 8.28(f)(i),
IFRS 15.C4

Explanatory notes

IAS 8.28(f)(ii)

- a. An entity is required to disclose the amount of the adjustment to basic and diluted earnings per share, unless it is impracticable to do so.

This guide assumes that the amount of the adjustment is not material.

Notes to the consolidated financial statements (extract)

4. Changes in accounting policies (continued)**E. Impacts on financial statements (continued)****ii. Consolidated statement of profit or loss and OCI**

For the year ended 31 December 2016 <i>In thousands of euro</i>	Impact of changes in accounting policies		
	As previously reported	Adjustments	As restated
Revenue	117,863	740	118,603
Cost of sales	(77,476)	(677)	(78,153)
Selling and distribution expenses	(16,079)	214	(15,865)
Finance income	864	371	1,235
Share of profit of equity-accounted investees, net of tax	537	(6)	531
Income tax expense	(2,715)	(227)	(2,942)
Other	(17,306)	-	(17,306)
Profit for the period	5,688	415	6,103
Total comprehensive income	XXX	XXX	XXX

iii. Consolidated statement of cash flows

For the year ended 31 December 2016 <i>In thousands of euro</i>	Impact of changes in accounting policies		
	As previously reported	Adjustments	As restated
Profit for the period	5,688	415	6,103
Adjustments for:			
– Net finance costs	1,481	(371)	1,110
– Share of profit of equity-accounted investees, net of tax	(537)	6	(531)
– Tax expense	2,715	227	2,942
Changes in:			
– Inventories	1,117	677	1,794
– Contract costs	-	(214)	(214)
– Contract assets	-	(108)	(108)
– Trade and other receivables	(312)	17	(295)
– Trade and other payables	339	1	340
– Provisions and employee benefits	XXX	(1)	XXX
– Contract liabilities	-	62	62
– Deferred revenue	1,082	(1,082)	-
– Other	XXX	-	XXX
Net cash from operating activities	XXX	(371)	XXX
Interest received	264	371	635
Net cash from investing activities	XXX	371	XXX
[...]	XXX	XXX	XXX
Net cash from financing activities	XXX	XXX	XXX

There is no material impact on the Group's basic or diluted earnings per share for the year ended 31 December 2016.^a

IAS 8.28(f)(i),
IFRS 15.C4

IAS 8.28(f)(i),
IFRS 15.C4

Part II – The cumulative effect method

Explanatory notes

IFRS 15.C3, C5, Insights 4.2A.490

- a.** IFRS 15 offers a range of transition options. In [Part II](#) of this guide, the Group has initially applied IFRS 15 using the cumulative effect method – i.e. recognising the cumulative effect of applying IFRS 15 as of 1 January 2017, with no restatement of the comparative period.

For an illustration of the retrospective method with the use of the practical expedient allowing non-disclosure of the amount of the transaction price allocated to the remaining performance obligations, and an explanation of when the Group expects to recognise that amount as revenue for all reporting periods presented before the date of initial application – i.e. 1 January 2017 – see [Part I](#) of this guide.

For an illustration of the disclosures when applying IFRS 15 retrospectively with the practical expedient in paragraph C5(b), see the [Appendix](#).

IFRS 15.110, IAS 1.29–30, 55, 77

- b.** To meet the disclosure objective in IFRS 15 and comply with the presentation and disclosure guidance in IAS 1, an entity applies judgement in determining whether the following items should be presented separately (either in the statement of financial position or in the notes) or aggregated with another line item (and if so, then which line item):

- refund liability;
- costs to obtain a contract;
- costs to fulfil a contract;
- right to recover a returned good (asset);
- liability from repurchase agreement; and
- consideration paid to the customer (asset).

IAS 1.60–64

- c.** An entity applies the requirements in IAS 1 in classifying an asset or a liability related to a contract with the customer as current or non-current.

IFRS 15.C7

- d.** Under the cumulative effect method, the comparative information in the statement of financial position is not restated.

IFRS 15.B21, BC367

- e.** IFRS 15 and other standards do not specify where assets for rights to recover products from customers with regard to sales with a right of return should be presented. The Group has included the assets in ‘inventories’ and discloses them separately in the related note (which is not illustrated).

IFRS 15.105, 109, A, BC320

- f.** Although this guide uses the term ‘contract assets’, an entity may also use other terms.

IFRS 15.105, 108, BC322–BC326

- g.** Any unconditional rights to consideration are presented separately as a receivable. A right to consideration is ‘unconditional’ if only the passage of time is required before payment of that consideration is due.

IFRS 15.55

- h.** The Group has presented its refund liabilities as ‘trade and other payables’ under IFRS 15. The Group’s returns policy offers only an exchange for another good or store credit – i.e. the Group does not offer a cash refund. Therefore, refund liabilities do not meet the definition of a financial liability in IAS 32. If a refund liability or a liability related to a repurchase agreement meets the definition of a financial liability in IAS 32, then it is subject to the disclosure requirements in IFRS 7.

IFRS 15.105, 109, BC320–BC321

- i.** Although this guide uses the term ‘contract liabilities’, an entity may also use other terms.

IFRS 15.B30

- j.** If a customer does not have the option to purchase a warranty separately, then an entity accounts for the warranty in accordance with IAS 37 unless the promised warranty, or a part of the promised warranty, provides the customer with a service in addition to the assurance that the product complies with agreed-on specifications.

IAS 1.10(a), 29,
38–38A, 113Consolidated statement of financial position^{a, b, c}

<i>In thousands of euro</i>	<i>Note</i>	31 December 2017	31 December 2016*^d
Assets			
Property, plant and equipment		XXX	XXX
Intangible assets and goodwill		XXX	XXX
Equity-accounted investees		2,686	2,011
Other investments		XXX	XXX
Deferred tax assets		934	1,593
Contract costs	2	2,296	-
Non-current assets		60,257	53,792
Inventories ^e		4,927	5,752
Contract assets ^f	1	721	-
Other investments		XXX	XXX
Trade and other receivables ^g		19,701	13,401
Cash and cash equivalents		XXX	XXX
Current assets		34,963	26,903
Total assets		95,220	80,695
Equity			
Share capital		XXX	XXX
Reserves		XXX	XXX
Retained earnings		23,966	11,104
Equity attributable to owners of the Company		42,963	28,801
Non-controlling interests		1,950	1,498
Total equity		44,913	30,299
Liabilities			
Provisions		XXX	XXX
Deferred tax liabilities		2,420	95
Non-current liabilities		5,133	3,114
Current tax liabilities		XXX	XXX
Loans and borrowings		XXX	XXX
Trade and other payables ^h		28,866	26,003
Contract liabilities ⁱ	1	5,567	-
Deferred revenue		-	6,783
Employee benefits		XXX	XXX
Provisions ⁱ		609	505
Current liabilities		45,174	47,282
Total liabilities		50,307	50,396
Total equity and liabilities		95,220	80,695

* The Group has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 4.

The notes on pages XX to XX are an integral part of these consolidated financial statements.

Explanatory notes

- IFRS 15.C7* **a.** In **Part II** of this guide, the Group has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information in the statement of profit or loss and other comprehensive income is not restated.
- IAS 1.81B* **b.** For illustrative purposes, this guide provides only an example of a consolidated statement of profit or loss and other comprehensive income, without presenting:
- the allocation of profit or loss and total comprehensive income to non-controlling interests and owners of the parent; and
 - basic and diluted earnings per share.
- IFRS 15.65, BC246* **c.** The effect of financing (interest income or interest expense) is presented separately from revenue from contracts with customers in the statement of profit or loss and other comprehensive income and included in ‘finance income’ and ‘finance costs’, respectively.

IAS 1.10(b), 29,
 38–38A, 113

Consolidated statement of profit or loss and other comprehensive income^{a, b}

For the year ended 31 December

<i>In thousands of euro</i>	<i>Note</i>	2017	2016*
Profit			
Revenue	1	116,579	117,863
Cost of sales		(69,571)	(77,476)
Gross profit		47,008	40,387
Other income		XXX	XXX
Selling and distribution expenses		(15,562)	(16,079)
Administrative expenses		XXX	XXX
Other expenses		XXX	XXX
Operating profit		10,334	9,347
Finance income ^c		2,331	864
Finance costs ^c		(1,977)	(2,345)
Net finance income/(costs)		354	(1,481)
Share of profit of equity-accounted investees, net of tax		641	537
Profit before tax		11,329	8,403
Income tax expense		(3,392)	(2,715)
Profit for the period		7,937	5,688
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		XXX	XXX
Equity-accounted investees – share of OCI		(XXX)	(XXX)
Available-for-sale financial assets – net change in fair value		XXX	XXX
Related tax		(XXX)	(XXX)
Other comprehensive income, net of tax		XXX	XXX
Total comprehensive income		XXX	XXX

* The Group has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See [Note 4](#).

The notes on pages XX to XX are an integral part of these consolidated financial statements.

Explanatory notes

IFRS 15.C7

- a. In [Part II](#) of this guide, the Group has initially applied IFRS 15 using the cumulative effect method and recognises the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application – i.e. 1 January 2017. Under this transition method, the Group is required to apply IFRS 15 retrospectively only to contracts that are not completed contracts at the date of initial application.

Consolidated statement of changes in equity

For the year ended 31 December

In thousands of euro	Note	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
		Share capital	Share premium	Translation reserve	Fair value reserve	Retained earnings			
Balance at 1 January 2016*		XXX	XXX	XXX	XXX	5,700	23,397	1,214	24,611
Total comprehensive income									
Profit for the period		-	-	-	-	5,404	5,404	284	5,688
Other comprehensive income		-	-	XXX	XXX	XXX	XXX	XXX	XXX
Total comprehensive income		-	-	XXX	XXX	XXX	XXX	XXX	XXX
Balance at 31 December 2016*		XXX	XXX	XXX	XXX	11,104	28,801	1,498	30,299
Balance at 1 January 2017		XXX	XXX	XXX	XXX	11,104	28,801	1,498	30,299
Impact of change in accounting policy ^a	2	XXX	XXX	XXX	XXX	5,312	5,312	65	5,377
Adjusted balance at 1 January 2017		XXX	XXX	XXX	XXX	16,416	34,113	1,563	35,676
Total comprehensive income									
Profit for the period		-	-	-	-	7,550	7,550	387	7,937
Other comprehensive income		-	-	XXX	XXX	XXX	XXX	XXX	XXX
Total comprehensive income		-	-	XXX	XXX	XXX	XXX	XXX	XXX
Transactions with owners of the Company									
Business combination		XXX	XXX	-	-	-	XXX	-	XXX
Total transactions with owners of the Company		XXX	XXX	-	-	-	XXX	-	XXX
Balance at 31 December 2017		XXX	XXX	XXX	XXX	23,966	42,963	1,950	44,913

* The Group has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 4.

The notes on pages XX to XXX are an integral part of these consolidated financial statements.

IAS 1.10(c), 29,
38-38A, 113

Explanatory notes

IFRS 15.C7

- a. In [Part II](#) of this guide, the Group has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information in the statement of cash flows is not restated.

IAS 7.18(b)

- b. If interest expense is recognised due to a significant financing component in respect of a contract liability and an entity applies the indirect method to present cash flows from operating activities, then the interest is presented as a non-cash transaction in the reconciliation.

Conversely, if interest income is recognised in respect of a contract asset, then that interest is presented as a cash transaction.

Consolidated statement of cash flows^a

For the year ended 31 December

In thousands of euro

Note 2017 2016*

	Note	2017	2016*
Cash flows from operating activities			
Profit for the period		7,937	5,688
Adjustments for:			
– Net finance (income)/costs		(354)	1,481
– Share of profit of equity-accounted investees, net of tax		(641)	(537)
– Tax expense		3,392	2,715
– [...]		XXX	XXX
Changes in:			
– Inventories		(1,134)	1,117
– Contract costs	2	102	-
– Contract assets ^b	1	960	-
– Trade and other receivables		(1,755)	(312)
– Trade and other payables		2,857	339
– Provisions and employee benefits		XXX	XXX
– Contract liabilities ^b	1	365	-
– Deferred revenue		-	1,082
Cash generated from operating activities		XXX	XXX
Interest paid		XXX	XXX
Taxes paid		XXX	XXX
Net cash from operating activities		XXX	XXX
Cash flows from investing activities			
Interest received		713	264
[...]		XXX	XXX
Net cash from investing activities		XXX	XXX
Cash flows from financing activities			
[...]		XXX	XXX
Net cash from financing activities		XXX	XXX
Net decrease in cash and cash equivalents		XXX	XXX
Cash and cash equivalents at 1 January		XXX	XXX
Effect of movements in exchange rates on cash held		XXX	XXX
Cash and cash equivalents at 31 December		XXX	XXX

* The Group has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 4.

The notes on pages XX to XX are an integral part of these consolidated financial statements.

 IAS 1.10(d), 29,
38–38A, 113

IAS 7.18(b)

IAS 7.31–32

IAS 7.35

IAS 7.10

IAS 7.31

IAS 7.10

IAS 7.10

IAS 7.28

Explanatory notes

IAS 1.38–38A

- a.** In applying paragraph C3(b) of IFRS 15, the comparative information is prepared based on the accounting policies for revenue recognition that the Group had applied before the adoption of IFRS 15. As a result, these pre-IFRS 15 accounting policies need to be disclosed as well as those that the Group applies after the adoption of IFRS 15.

In this guide, the Group has disclosed separately the details of accounting policies under IAS 18 and IAS 11 only if they are different from those under IFRS 15 and incorporated them in Note 1 'Revenue'. This is just one of the possible approaches to disclosing accounting policies for the comparative information. Other approaches may be applied in practice.

IAS 1.113–114

- b.** Notes are presented, to the extent practicable, in a systematic order and are cross-referred to/from items in the primary financial statements. In determining a systematic manner of presentation, an entity considers the effect on the understandability and comparability of the financial statements. The Group has applied judgement in presenting related information together in cohesive sections. The order presented is only illustrative and entities need to tailor the way the notes are organised to fit their specific circumstances.

IFRS 15.BC354

- c.** Under previous requirements in IFRS, entities had to disclose their accounting policies for recognising revenue. However, some users of financial statements raised concerns that in many cases, entities provided a 'boilerplate' description of the accounting policy without explaining how that accounting policy related to the contracts that the entity enters into with customers. To address this criticism, paragraph 119 of IFRS 15 requires an entity to disclose information about its performance obligations in contracts with customers. This disclosure complements the accounting policy disclosure requirements in existing standards by requiring an entity to provide more descriptive information about its performance obligations.

The Group presents significant accounting policies in the relevant notes, rather than combining them in a separate note.

IAS 1.112(a), 117(b), 119, 121

The accounting policies included in this guide reflect the circumstances of the Group and are limited to the specific policies that are relevant to an understanding of the Group's revenue accounting.

These examples of accounting policies should not be relied on for a complete understanding of IFRS 15 and should not be used as a substitute for referring to the standard. To help you identify the underlying requirements in IFRS 15, references to the relevant requirements in the standard have been included.

IFRS 15.111, 119, IAS 1.31

- d.** IFRS 15 requires detailed disclosure of entities' performance obligations in contracts with customers. The standard does not specify the level of detail required for this information – i.e. judgement is required in this regard.

Notes to the consolidated financial statements (extract)

1. Revenue^{a, b}

The Group has applied IFRS 15 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11. The details of accounting policies under IAS 18 and IAS 11 are disclosed separately if they are different from those under IFRS 15 and the impact of changes is disclosed in [Note 4](#).

A. Significant accounting policy

[IFRS 15.31, 46–47]

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

[IAS 18.9, 14, 20, 35(a)]

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognised when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, the associated costs and possible return of goods could be estimated reliably, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably. Revenue from rendering of services was recognised in proportion to the stage of completion of the work performed at the reporting date, which was determined based on surveys.

B. Nature of goods and services^{c, d}

[IFRS 15.115, 119]

The following is a description of the principal activities – separated by reportable segments – from which the Group generates its revenue. For more detailed information about reportable segments, see [Note 3](#).

i. Telecom segments

The Telecom segments of the Group principally generate revenue from providing mobile telecommunication services, such as access to the network, airtime usage, messaging and internet services, as well as from sales of mobile devices and extended warranties. Products and services may be sold separately or in bundled packages. The typical length of a contract for bundled packages is 24 months.

[IFRS 15.22(a), 27, 73–74, 79]

For bundled packages, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the mobile devices, extended warranty and telecommunication services. For items that are not sold separately – e.g. customer loyalty programme – the Group estimates stand-alone selling prices using the adjusted market assessment approach.

Explanatory notes

IFRS 15.119(e),
B28–B33

- a. An 'assurance warranty' is a warranty that only covers the compliance of a product with agreed-on specifications. A 'service warranty' provides the customer with a service in addition to the assurance that the product complies with agreed-on specifications. Service warranties are accounted for as separate performance obligations and the entity allocates a portion of the transaction price to that performance obligation.

Notes to the consolidated financial statements (extract)

1. Revenue (continued)**B. Nature of goods and services (continued)****i. Telecom segments (continued)**

Under IAS 18, the Group limited revenue for mobile devices to the amount that was not contingent on the provision of future telecommunication services. This was typically the amount received from the customer on signing the contract.

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Mobile devices	The Group recognises revenue when a customer takes possession of the device. This usually occurs when the customer signs a new contract. The amount of revenue recognised for mobile devices is adjusted for expected returns, which are estimated based on the historical data for specific models, adjusted as necessary to estimate returns for new models. Returned goods are exchanged only for new goods or store credit – i.e. no cash refunds are offered. For mobile devices sold separately, customers pay in full at the point of sale. For mobile devices sold in bundled packages, customers usually pay monthly in equal instalments over a period of 24 months. Under IAS 18, the Group recognised revenue in full and recorded a separate refund liability for expected returns.
Mobile telecommunication services	Mobile telecommunication services include voice, data and text services. The Group recognises revenue as mobile services are provided. Mobile services are billed and paid for on a monthly basis.
Extended warranty^a	The Group recognises revenue for the extended warranty on a straight-line basis over the extended warranty period. In the majority of countries in which the Group operates, the statutory warranty period is one year and the extended warranty covers periods beyond year one. The payment terms for the extended warranty are similar to those for mobile devices.
Customer loyalty programme	Under its customer loyalty programme, the Group allocates the equivalent of 0.5% of the consideration received for mobile devices and mobile telecommunication services to loyalty points that are redeemable against any future purchases of the Group's products or services. The amount is deferred in the statement of financial position and is recognised as revenue when the points are redeemed.

ii. SATCOM segments

The SATCOM segments of the Group principally generate revenue from building and delivering satellite communication systems and equipment under long-term contracts with government agencies and other non-government customers. All SATCOM contracts include a standard warranty clause to guarantee that satellite communication systems comply with agreed specifications.

Contracts with government	Under SATCOM contracts with government agencies, the government controls all of the work in progress as satellite communication systems are being built. Revenue is recognised progressively based on the cost-to-cost method. Payment terms for contracts with government agencies are usually based on equal instalments over the duration of the contract. If the Group has recognised revenue, but not issued a bill, then the entitlement to consideration is recognised as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional. In the comparative period, the Group recognised revenue for SATCOM contracts with government agencies when they took delivery of the products and formally accepted them because these contracts did not meet the definition of a construction contract under IAS 11.
Other contracts	Under other SATCOM contracts, customers do not take control of the satellite communication systems until they are completed. Revenue is recognised on formal acceptance by the customer. On signing of the contract, customers are usually required to make an advance payment of 20% of the contract value that is refundable if the contract is cancelled. The rest of the consideration is payable on acceptance.
Warranty	All SATCOM contracts include a standard warranty clause to guarantee that satellite communication systems comply with agreed specifications. Based on historical data, the Group recognised a provision of 0.4% of contract consideration for this warranty.

IFRS 15.119

IFRS 15.119

IFRS 15.119

IFRS 15.119, 123(a)

Explanatory notes

IFRS 15.114, B88,
IE210–IE211

- a. The extent to which an entity's revenue is disaggregated for the purposes of this disclosure depends on the facts and circumstances of the entity's contracts with customers. Some entities may need to use more than one type of category to meet the objective in paragraph 114 of IFRS 15 for disaggregating revenue. Other entities may meet the objective by using only one type of category.

IFRS 15.B89

- b. Examples of categories that might be appropriate include, but are not limited to, the following.

Type of category	Example
Type of good or service	Major product lines
Geographical region	Country or region
Market or type of customer	Government and non-government customers
Type of contract	Fixed-price and time-and-materials contracts
Contract duration	Short-term and long-term contracts
Timing of transfer of goods or services	Goods or services transferred to customers: <ul style="list-style-type: none"> – at a point in time – over time
Sales channels	Goods or services sold: <ul style="list-style-type: none"> – directly to consumers – through intermediaries

IFRS 15.115

- c. An entity is required to disclose sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue and revenue information that is disclosed for each reportable segment, if the entity applies IFRS 8.

IFRS 15.112,
BC339–BC340,
IFRS 8.33(a)

- d. An entity need not disclose information in accordance with IFRS 15 if it has provided the information in accordance with another standard.

The Group has disclosed the geographical information about revenues from external customers attributed to the Parent's country of domicile and attributed to foreign countries from which the Group derives revenues in accordance with IFRS 8. In addition, the Group has disaggregated the revenue into geographical regions for each reportable segment in this table.

Notes to the consolidated financial statements (extract)

1. Revenue (continued)

C. Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's four strategic divisions, which are its reportable segments (see Note 3).^{a, b}

	Telecom – EU		Telecom – Non-EU		Reportable segments ^c		SATCOM – Non-government		Total reportable segments		All other segments		Total	
					SATCOM – Government									
	2017	2016*	2017	2016*	2017	2016*	2017	2016*	2017	2016*	2017	2016*	2017	2016*
<i>In thousands of euro</i>														
Primary geographical markets^d														
Europe	44,118	42,800	-	-	12,498	17,361	2,912	486	59,528	60,647	44	56	59,572	60,703
North America	-	-	22,053	22,956	10,045	10,641	1,356	1,418	33,454	35,015	477	500	33,931	35,515
Asia	-	-	18,314	14,847	-	-	4,699	6,742	23,013	21,589	63	56	23,076	21,645
	44,118	42,800	40,367	37,803	22,543	28,002	8,967	8,646	115,995	117,251	584	612	116,579	117,863
Major products/service lines														
Mobile devices	15,487	15,137	14,296	14,139	-	-	-	-	29,783	29,276	-	-	29,783	29,276
Mobile telecommunications service	27,213	26,551	24,911	22,604	-	-	-	-	52,124	49,155	-	-	52,124	49,155
Extended warranty	1,228	997	1,101	979	-	-	-	-	2,329	1,976	-	-	2,329	1,976
SATCOM products	-	-	-	-	21,341	27,016	8,422	8,155	29,763	35,171	-	-	29,763	35,171
Other	190	115	59	81	1,202	986	545	491	1,996	1,673	584	612	2,580	2,285
	44,118	42,800	40,367	37,803	22,543	28,002	8,967	8,646	115,995	117,251	584	612	116,579	117,863
Timing of revenue recognition														
Products transferred at a point in time	15,677	14,999	14,355	13,984	1,202	979	8,422	8,155	39,656	38,117	254	288	39,910	38,405
Products and services transferred over time	28,441	27,801	26,012	23,819	21,341	27,023	545	491	76,339	79,134	330	324	76,669	79,458
	44,118	42,800	40,367	37,803	22,543	28,002	8,967	8,646	115,995	117,251	584	612	116,579	117,863

* The Group has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 4.

IFRS 15.114–115

Explanatory notes

- IFRS 15.116(a)* **a.** An entity discloses the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers if they are not otherwise separately presented or disclosed.
- Under the cumulative effect method, an entity applies the new standard from the date of initial application (i.e. 1 January 2017 in this guide) after applying the transition requirements in paragraph C3(b) of IFRS 15 and provides the disclosures required by paragraph 116(a) of IFRS 15 regardless of the fact that the comparative information is not restated.
- IFRS 15.35(c), 108, BC145* **b.** This guide assumes that although the Group has an enforceable right to payment for performance completed to date for many of the SATCOM products, it does not necessarily have a present unconditional right to consideration.
- IFRS 15.118, BC346* **c.** Although IFRS 15 does not require a tabular reconciliation of the aggregated contract balances, it requires the explanation of significant changes in the contract asset and the contract liability balances during the reporting period to include both qualitative and quantitative information.
- IFRS 7.20(e), 15.112, 113(b)* **d.** An entity is required to disclose impairment losses recognised on receivables from contracts with customers, if any exist. Given the requirements of IFRS 7, this guide assumes that this disclosure has been included in the financial instruments note.

Notes to the consolidated financial statements (extract)

1. Revenue (continued)**D. Contract balances**

IFRS 15.116(a)

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.^a

<i>In thousands of euro</i>	31 December 2017	1 January 2017*
Receivables, which are included in 'Trade and other receivables' ^b	12,615	10,654
Contract assets	721	1,681
Contract liabilities	(5,567)	(5,202)

IFRS 15.116(c)

The amount of revenue recognised in 2017 from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to the changes in the estimate of the stage of completion of SATCOM contracts with government, is €265 thousand.

IFRS 15.117

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on government SATCOM contracts and mobile handsets. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the advance consideration received from customers for non-government SATCOM contracts, for which revenue is recognised on completion of satellite communication systems.

IFRS 15.118

Significant changes in the contract assets and the contract liabilities balances during the period are as follows.^{c, d}

<i>In thousands of euro</i>	2017	
	Contract assets	Contract liabilities
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	4,294
Increases due to cash received, excluding amounts recognised as revenue during the period	-	(4,328)
Transfers from contract assets recognised at the beginning of the period to receivables	(1,591)	-
Increases as a result of changes in the measure of progress	631	-
Business combination	-	(331)

IFRS 15.116(b)

IFRS 15.118(b),
IE37–IE41

IFRS 15.118(a)

* The Group recognised the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance at 1 January 2017.

Explanatory notes

- IFRS 15.111*
- a. IFRS 15 does not require the disclosure of information about remaining performance obligations by product and/or service. However, the Group believes that the disaggregated information provided enables users of financial statements to better understand the nature, amount, timing and uncertainty of revenue and cash flows.
- IFRS 15.120(b)(i)*
- b. IFRS 15 requires disclosure based on the time bands that would be most appropriate for the duration of the remaining performance obligations. The Group uses a one-year time band.

Notes to the consolidated financial statements (extract)

1. Revenue (continued)**E. Transaction price allocated to the remaining performance obligations^a**

IFRS 15.120

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

<i>In thousands of euro</i>	2018 ^b	2019 ^b	2020 ^b	Total
IFRS 15.120(b)(i) Mobile telecommunications service	26,545	13,154	-	39,699
IFRS 15.120(b)(i) Extended warranty service	1,856	1,053	-	2,909
IFRS 15.120(b)(i) SATCOM products	28,765	14,357	1,096	44,218

IFRS 15.121–122

No consideration from contracts with customers is excluded from the amounts presented above.

IFRS 15.120(b)(iii),
IE220–IE221

As at 31 December 2017, the amount allocated to the customer loyalty programme is €6,584 thousand. This will be recognised as revenue as the customer loyalty programme points are redeemed, which is expected to occur over the next three years.

IFRS 15.121–122

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

2. Contract costs

IFRS 15.127(a)

Management expects that incremental commission fees paid to intermediaries as a result of obtaining SATCOM contracts are recoverable. The Group has therefore capitalised them as contract costs in the amount of €2,296 thousand at 31 December 2017. In the comparative period, such commission fees were recognised as selling expenses when incurred.

IFRS 15.99, 127(b),
128(b)

Capitalised commission fees are amortised when the related revenues are recognised. In 2017, the amount of amortisation was €1,358 thousand and there was no impairment loss in relation to the costs capitalised.

IFRS 15.94, 129

Applying the practical expedient in paragraph 94 of IFRS 15, the Group recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

Explanatory notes

IFRS 8.28

- a. This guide provides an example of disclosures in relation to reportable segments to enable readers to understand the relationship between the disclosure of disaggregated revenue and revenue information that is disclosed for each reportable segment.

IFRS 8, 15.119(c)

- b. An entity is required to disclose the nature of the goods or services that it has promised to transfer. In this guide, more detailed information about the nature of the goods and services is included in [Note 1](#).

Notes to the consolidated financial statements (extract)

3. Operating segments^a

A. Basis for segmentation

The Group has the following four strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they have different economic characteristics – e.g. trends in sales growth, rates of return on assets and level of capital investment – and have different marketing strategies.

The following summary describes the operations of each reportable segment.^b

Reportable segments		Operations
Telecom	EU	Providing mobile telecommunication services and selling mobile devices in the 28 EU countries
	Non-EU	Providing mobile telecommunication services and selling mobile devices in jurisdictions outside the EU
SATCOM	Government	Developing satellite communication systems and equipment for government agencies
	Non-government	Developing satellite communication systems and equipment for non-government organisations

The Group CEO reviews the internal management reports of each segment at least quarterly.

Other operations include the manufacturing of electronic equipment and related parts. None of these segments met the quantitative thresholds for reportable segments in 2017 or 2016.

Inter-segment pricing is determined on an arm's length basis.

IFRS 8.20–22

IFRS 8.27(a)

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Notes to the consolidated financial statements (extract)

3. Operating segments (continued)

B. Information about reportable segments

IFRS 8.27

Information related to each reportable segment is set out below. Segment profit before tax, as included in internal management reports reviewed by the Group CEO, is used to measure performance because management believes that such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

IFRS 8.16

	Reportable segments												Total	
	Telecom – EU		Telecom – Non-EU		SATCOM – Government		SATCOM – Non-government		Total reportable segments		All other segments			
	2017	2016*	2017	2016*	2017	2016*	2017	2016*	2017	2016*	2017	2016*	2017	2016*
<i>In thousands of euro</i>														
External revenues	44,118	42,800	40,367	37,803	22,543	28,002	8,967	8,646	115,995	117,251	584	612	116,579	117,863
Inter-segment revenue	2,375	2,181	1,275	1,169	181	221	612	583	4,443	4,154	12	15	4,455	4,169
Segment revenue	46,493	44,981	41,642	38,972	22,724	28,223	9,579	9,229	120,438	121,405	596	627	121,034	122,032
Segment profit (loss) before tax	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Interest income	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Interest expense	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Depreciation and amortisation	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Share of profit (loss) of equity-accounted investees	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
[...]														

* The Group has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See [Note 4](#).

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Notes to the consolidated financial statements (extract)

3. Operating segments (continued)**C. Reconciliations of information on reportable segments to IFRS measures**

In thousands of euro **2017** **2016***

IFRS 8.28(a)

i. Revenues

Total revenue for reportable segments	120,438	121,405
Revenue for other segments	596	627
Elimination of inter-segment revenue	(4,455)	(4,169)
Consolidated revenue	116,579	117,863

IFRS 8.28(b)

ii. Profit before tax

[...]

IFRS 8.28(c)

iii. Assets

[...]

IFRS 8.28(d)

iv. Liabilities

[...]

IFRS 8.33(a)–(b)

D. Geographic information

The Telecom and SATCOM segments are managed on a worldwide basis, but the manufacturing facilities and sales offices are primarily located in the UK, the US, China, Germany, the Netherlands and France.

The geographic information below analyses the Group's revenue and non-current assets by the Parent's country of domicile and all foreign countries. In presenting the following information, segment revenue is based on the geographic location of customers and segment assets are based on the geographic location of the assets.

i. Revenue

In thousands of euro **2017** **2016***

UK	31,696	34,804
All foreign countries		
US	31,654	33,431
China	21,709	20,317
Germany	13,556	12,797
Netherlands	8,181	7,944
France	4,001	4,357
Other countries	5,782	4,933
	116,579	117,863

ii. Non-current assets

[...]

XXX

XXX

E. Major customer

Revenues from one customer of the Group's SATCOM – Government segment represented approximately €20,000 thousand (2016: €17,500 thousand) of the Group's total revenues.

* The Group has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 4.

IFRS 8.34

Explanatory notes

- a. In [Part II](#) of this guide, the Group has initially applied IFRS 15 using the cumulative effect method – i.e. recognising the cumulative effect of applying IFRS 15 as of 1 January 2017, with no restatement of the comparative period.

For an illustration of the retrospective method with the use of the practical expedient allowing non-disclosure of the amount of the transaction price allocated to the remaining performance obligations, and an explanation of when the Group expects to recognise that amount as revenue for all reporting periods presented before the date of initial application – i.e. 1 January 2017 – see [Part I](#) of this guide.

For an illustration of the disclosures when applying IFRS 15 retrospectively with the practical expedient in paragraph C5(b), see the [Appendix](#).
- b. The Group has investments in some associates and joint ventures, which are accounted for using the equity method in accordance with IAS 28. As a result of the early adoption of IFRS 15 by the Group, IFRS 15 is also applied in the financial statements of those associates and joint ventures for the purpose of applying IAS 28 in the Group's consolidated financial statements.
- c. In this guide, the refund liability does not meet the definition of a financial liability under IAS 32. If a refund liability or a liability related to a repurchase agreement meets the definition of a financial liability, then it is subject to the disclosure requirements in IFRS 7.

Notes to the consolidated financial statements (extract)

4. Changes in accounting policies^{a, b}

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

IFRS 15.C1, IAS 8.20

The Group has early adopted IFRS 15 *Revenue from Contracts with Customers* with a date of initial application of 1 January 2017. As a result, the Group has changed its accounting policy for revenue recognition as detailed below.

IAS 8.28,
IFRS 15.C5(c), C6(a)

The Group has applied IFRS 15 using the **cumulative effect method** – i.e. by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 January 2017. Therefore, the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11. The details of the significant changes and quantitative impact of the changes are set out below.

A. Sales of mobile devices in bundled packages

For mobile devices sold in bundled packages, the Group previously limited revenue to the amount that was not contingent on the provision of future telecommunication services. That was typically the amount received from the customer on signing the contract. Under IFRS 15, the total consideration in the contract is allocated to all products and services – e.g. mobile devices, extended warranties and mobile telecommunication services – based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the mobile devices, extended warranties and telecommunication services.

B. Refunds

For the sale of mobile devices, the Group previously recognised revenue in full and recorded a separate refund liability for expected returns as ‘provisions’. Under IFRS 15, the Group reduces revenue by the amount of expected returns and records it as ‘trade and other payables’. No cash refunds are offered for returns and the related liability is not a financial liability.^c The Group continues to estimate the amount of returns based on the historical data for specific models, adjusted as necessary to estimate returns for new models.

In addition, the Group recognises a related asset for the right to recover returned mobile devices.

C. SATCOM products

Previously, the Group recognised revenue for all SATCOM products when the customers took delivery of the products and formally accepted them because these contracts did not meet the definition of a construction contract under IAS 11. Under IFRS 15, the Group recognises revenue when a customer obtains control over satellite communication systems. Under SATCOM contracts with government agencies, the government controls all of the work in progress, as satellite communication systems are being built. Therefore, for such contracts revenue is recognised progressively based on the cost-to-cost method. Under other SATCOM contracts, customers do not take control of the satellite communication systems until they are completed; therefore, the Group continues to recognise revenue for such contracts when products are delivered to customers and customers formally accept them.

D. Commission fees payable

The Group previously recognised commission fees payable related to SATCOM contracts as selling expenses when they were incurred. Under IFRS 15, the Group capitalises these commission fees as costs of obtaining a contract when they are incremental and – if they are expected to be recovered – it amortises them consistently with the pattern of revenue for the related contract. If the expected amortisation period is one year or less, then the commission fee is expensed when incurred.

Explanatory notes

- a. The impacts on financial statements (requirements in paragraph C8 of IFRS 15) are also required in the interim reports.

Notes to the consolidated financial statements (extract)

4. Changes in accounting policies (continued)**E. Impacts on financial statements^a**

The following tables summarise the impacts of adopting IFRS 15 on the Group's consolidated financial statements for the year ending 31 December 2017.

i. Consolidated statement of financial position

31 December 2017 <i>In thousands of euro</i>	Impact of changes in accounting policies		
	As reported	Adjustments	Balances without adoption of IFRS 15
Equity-accounted investees	2,686	(21)	2,665
Deferred tax assets	934	322	1,256
Inventories	4,927	986	5,913
Contract costs	2,296	(2,296)	-
Trade and other receivables	19,701	(4,612)	15,089
Contract assets	721	(721)	-
Other	63,955	-	63,955
Total assets	95,220	(6,342)	88,878
Deferred tax liabilities	(2,420)	2,325	(95)
Trade and other payables	(28,866)	4	(28,862)
Contract liabilities	(5,567)	5,567	-
Deferred revenue	-	(6,487)	(6,487)
Provisions (current)	(609)	(4)	(613)
Other	(12,845)	-	(12,845)
Total liabilities	(50,307)	1,405	(48,902)
Retained earnings	(23,966)	4,904	(19,062)
Non-controlling interests	(1,950)	33	(1,917)
Other	(18,997)	-	(18,997)
Total equity	(44,913)	4,937	(39,976)

ii. Consolidated statement of profit or loss and OCI

For the year ended 31 December 2017 <i>In thousands of euro</i>	Impact of changes in accounting policies		
	As reported	Adjustments	Balances without adoption of IFRS 15
Revenue	116,579	1,945	118,524
Cost of sales	(69,571)	(973)	(70,544)
Selling and distribution expenses	(15,562)	102	(15,460)
Finance income	2,331	(391)	1,940
Share of profit of equity-accounted investees, net of tax	641	(4)	637
Income tax expense	(3,392)	(239)	(3,631)
Other	(23,089)	-	(23,089)
Profit for the period	7,937	440	8,377
Total comprehensive income	XXX	XXX	XXX

IFRS 15.C8

IAS 8.28(f)(i),
IFRS 15.C8

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Notes to the consolidated financial statements (extract)

4. Changes in accounting policies (continued)

E. Impacts on financial statements (continued)

iii. Consolidated statement of cash flows

IAS 8.28(f)(i),
IFRS 15.C8

For the year ended 31 December 2017 <i>In thousands of euro</i>	Impact of changes in accounting policies		Balances without adoption of IFRS 15
	As reported	Adjustments	
Profit for the period	7,937	440	8,377
Adjustments for:			
– Net finance costs	(354)	391	37
– Share of profit of equity-accounted investees, net of tax	(641)	4	(637)
– Tax expense	3,392	239	3,631
Changes in:			
– Inventories	(1,134)	973	(161)
– Contract costs	102	(102)	-
– Contract assets	960	(960)	-
– Trade and other receivables	(1,755)	67	(1,688)
– Trade and other payables	2,857	2	2,859
– Provisions and employee benefits	XXX	(2)	XXX
– Contract liabilities	365	(365)	-
– Deferred revenue	-	296	(296)
– Other	XXX	-	XXX
Net cash from operating activities	XXX	983	XXX
Interest received	713	(983)	(270)
Net cash from investing activities	XXX	XXX	XXX
[...]	XXX	XXX	XXX
Net cash from financing activities	XXX	XXX	XXX

Appendix – Retrospective application with practical expedients

Explanatory notes

- a. This Appendix illustrates one possible format for disclosures required for application of IFRS 15 *retrospectively with the practical expedient in paragraph C5(b) of IFRS 15*.

For further details of the transition requirements, including the cumulative effect method, see our publications [Transition to the new revenue standard – What is the best option for your business?](#) and [Issues In-Depth – Revenue from Contracts with Customers](#).

As the primary financial statements and the notes – except for the quantitative effect of the application of paragraph C5(b) of IFRS 15 – are not materially different from the main example, this Appendix just includes the note on changes in accounting policies. However, an entity applying this approach would need to present relevant notes as illustrated in the main example.

Variable consideration in this example relates only to the rights of return.

Notes to the consolidated financial statements (extract)

4. Changes in accounting policies^a

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The Group has early adopted IFRS 15 *Revenue from Contracts with Customers* with a date of initial application of 1 January 2017. As a result, the Group has changed its accounting policy for revenue recognition as detailed below.

The Group has applied IFRS 15 retrospectively using the practical expedient in paragraph C5(b) of IFRS 15, under which, for completed contracts that have variable consideration, the Group has used the transaction price at the date when the contract was completed rather than estimating variable consideration amounts in the comparative reporting period.

The details of the significant changes and quantitative impact of the changes are set out below.

A. Sales of mobile devices in bundled packages

[...]

B. Refunds

[...]

C. SATCOM products

[...]

D. Commission fees payable

[...]

IAS 8.28,
 IFRS 15. C5(b), C6(a)

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Notes to the consolidated financial statements (extract)

4. Changes in accounting policies (continued)

E. Impacts on financial statements

The following tables summarise the impacts of adopting IFRS 15 on the Group's consolidated financial statements.

i. Consolidated statement of financial position

1 January 2016 <i>In thousands of euro</i>	Impact of changes in accounting policies		
	As previously reported	Adjustments	As restated
Equity-accounted investees	1,507	23	1,530
Deferred tax assets	1,094	(198)	896
Inventories	6,869	(1,282)	5,587
Contract costs	-	2,184	2,184
Contract assets	-	1,573	1,573
Trade and other receivables	13,089	4,621	17,710
Other	58,105	-	58,105
Total assets	80,664	6,921	87,585
Deferred tax liabilities	(95)	(2,484)	(2,579)
Trade and other payables	(25,664)	(1)	(25,665)
Contract liabilities	-	(5,140)	(5,140)
Deferred revenue	(5,701)	5,701	-
Provisions (current)	(431)	5	(426)
Other	(24,162)	-	(24,162)
Total liabilities	(56,053)	(1,919)	(57,972)
Retained earnings	(5,700)	(4,959)	(10,659)
Non-controlling interests	(1,214)	(43)	(1,257)
Other	(17,697)	-	(17,697)
Total equity	(24,611)	(5,002)	(29,613)

31 December 2016 <i>In thousands of euro</i>	Impact of changes in accounting policies		
	As previously reported	Adjustments	As restated
Equity-accounted investees	2,011	17	2,028
Deferred tax assets	1,593	(553)	1,040
Inventories	5,752	(1,959)	3,793
Contract costs	-	2,398	2,398
Contract assets	-	1,681	1,681
Trade and other receivables	13,401	4,647	18,048
Other	57,938	-	57,938
Total assets	80,695	6,231	86,926
Deferred tax liabilities	(95)	(2,368)	(2,463)
Trade and other payables	(26,003)	(3)	(26,006)
Contract liabilities	-	(5,202)	(5,202)
Deferred revenue	(6,783)	6,783	-
Provisions (current)	(505)	6	(499)
Other	(17,010)	-	(17,010)
Total liabilities	(50,396)	(784)	(51,180)
Retained earnings	(11,104)	(5,382)	(16,486)
Non-controlling interests	(1,498)	(65)	(1,563)
Other	(17,697)	-	(17,697)
Total equity	(30,299)	(5,447)	(35,746)

IAS 8.28(f)(i),
IFRS 15.C4

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Notes to the consolidated financial statements (extract)

4. Changes in accounting policies (continued)

E. Impacts on financial statements (continued)

ii. Consolidated statement of profit or loss and OCI

IAS 8.28(f)(i),
IFRS 15.C4

For the year ended 31 December 2016 <i>In thousands of euro</i>	Impact of changes in accounting policies		
	As previously reported	Adjustments	As restated
Revenue	117,863	783	118,646
Cost of sales	(77,476)	(677)	(78,153)
Selling and distribution expenses	(16,079)	214	(15,865)
Finance income	864	371	1,235
Share of profit of equity-accounted investees, net of tax	537	(6)	531
Income tax expense	(2,715)	(240)	(2,955)
Other	(17,306)	-	(17,306)
Profit for the period	5,688	445	6,133
Total comprehensive income	XXX	XXX	XXX

iii. Consolidated statement of cash flows

IAS 8.28(f)(i),
IFRS 15.C4

For the year ended 31 December 2016 <i>In thousands of euro</i>	Impact of changes in accounting policies		
	As previously reported	Adjustments	As restated
Profit for the period	5,688	445	6,133
Adjustments for:			
– Net finance costs	1,481	(371)	1,110
– Share of profit of equity-accounted investees, net of tax	(537)	6	(531)
– Tax expense	2,715	240	2,955
Changes in:			
– Inventories	1,117	677	1,794
– Contract costs	-	(214)	(214)
– Contract assets	-	(108)	(108)
– Trade and other receivables	(312)	(26)	(338)
– Trade and other payables	339	2	341
– Provisions and employee benefits	XXX	(2)	XXX
– Contract liabilities	-	62	62
– Deferred revenue	1,082	(1,082)	-
– Other	XXX	-	XXX
Net cash from operating activities	XXX	(371)	XXX
Interest received	264	371	635
Net cash from investing activities	XXX	371	XXX
[...]	XXX	XXX	XXX
Net cash from financing activities	XXX	XXX	XXX

IFRS 15.C6(b)

As a result of applying the practical expedient in paragraph C5(b) of IFRS 15, revenue recognised in relation to returns and related trade receivables and inventories for the period ended 31 December 2016 and as at 1 January 2016 were determined using the transaction prices at the date the contracts were completed, rather than estimating variable consideration amounts in the comparative reporting periods.

IAS 8.28(f)(ii),
IFRS 15.C4

There is no material impact on the Group's basic or diluted earnings per share for the year ended 31 December 2016.

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