

## **FRS 3 Extraordinary items**

Extraordinary items are defined as those:

- a) material items that are highly abnormal transactions falling **outside** of the companies' ordinary (usual) business activities.
- b) are not expected to occur again
- c) are not exceptional items

## **FRS 3 Exceptional items**

Exceptional items are those that fall **within** the normal business operations of the company.

Examples:

1. profit on sale of discontinued operations
2. expenses of discharging unwanted employees
3. reorganization expenses when acquiring a new business
4. reorganization expenses when disposing of business segments