

# Drafting Financials

Presenter: Caryn Maitland CA(SA)

**Taking into account COVID-19 and the Companies Act**

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# Presenter

## Caryn Maitland

Caryn is a qualified CA(SA and RA, who has lectured extensively at UKZN (and other institutes) where she lectured Advanced Financial Accounting up until 2011 as well as co-ordinating the module on the Pietermaritzburg campus and was appointed Section Head of Financial Accounting and Deputy Head of the School of Accounting (managing the Pietermaritzburg campus) prior to leaving UKZN.

She has conducted independent workshops and seminars for professional accountants since 2006 on various topics and has consulted on a number of technical issues. Since January 2011, she has focused on her own business as technical freelance consultant and trainer to those working within the accounting profession. Caryn is a technical advisor to the SAICA Eastern Region Midlands District, Northern District and Southern District Associations, as well as the Small Practice Interest Group in Durban – specialising in financial reporting (IFRS, IFRS for SME's and general accounting), assurance, legislation and ethics. Caryn has a passion for Corporate Governance, which together with her Companies Act specialism and Financial Management for Non Financial Management lecturing background, has served her well in consulting and advising various Boards of Directors in recent years.

Caryn is also a platform presenter for various institutes as well as many small to medium accounting practices across the country and into Southern Africa. Maitland was appointed as a visiting Associate Professor to the University of Limpopo tasked with mentoring their Financial Accounting staff (Aug 2011 to Dec 2013).

Maitland's passion is IFRS and IFRS for SME's and was delighted at the opportunity granted in 2013 to serve on the APC subcommittee constituted to investigate the need for Micro GAAP and the role of IFRS for SME's for small and medium sized practitioners. Caryn, also serves on the Joint Accountants, Auditors and Attorneys Committee of SAICA, and is part of the School Governing Body project initiated by SAICA in KwaZulu-Natal, and has been appointed as an alternative member to the APC in June 2020

Caryn was elected as the first woman Chairperson for the Midlands District Association for SAICA in 2018 and also serves on the Eastern Region SMP Committee as well as the Local Subvention Committee for SAICA. In 2019 Caryn was appointed to the SAICA Eastern Region Council. As someone who is committed to environmental affairs, Caryn serves as a non-executive director for the Institute of Natural Resources, a Non Profit Company focusing on research. Since 2018 Caryn has worked extensively with commerce and industry, assisting analysts, directors and other users of financials to interpret, prepare, analyse and forecast based on the results of financial statements.



# Course Outline

# Table of Content

- . Be aware of the areas of the financial statements that will be affected by the pandemic taking into account financial reporting issues and Companies Act considerations.
- . Consider the necessary disclosure and considerations relating to going concern and subsequent events
- . Be able to assess the indicators of impairment relating to goodwill, tangible assets and financial assets

# Table of Content

- . Consider the accounting and impact of the pandemic on
  - . Estimates
  - . Provisions
  - . Restructuring
  - . Revenue
  - . Leases
  - . Forex
  - . Deferred Tax
- . Consider fair values and market values as a result of the pandemic

# Introduction

# Introduction

- Lets think about the impact of COVID-19 on business....
- Consider timing: 2020 year end vs 2021
- Directors responsibilities???
- Compilers responsibilities??
- Assurance provider responsibilities??

# Objective of AFS

- Allow users to make informed decisions
- Assess stewardship of management
  
- Cash flow forecasting
- Meet covenants
- Obtain financing



# Directors Responsibilities

# S4 Solvency and Liquidity Test

# Owners spilt from Managers

- Shareholder activism
  - They are table 13 at the wedding
- Directors need to be accountable to shareholders
- Special resolution be shareholders
  - Directors remuneration
  - Financial assistance to directors
  - Constructive notice and directors liability S77
  - Implications of these

# Code of Conduct

# Fiduciary Duty

- Common law vs. Companies Act
- Act in the COMPANY'S best interest, regardless as to how appointed
  - Must apply independent judgement
- Section 75 : Directors must disclose personal financial interests in decisions
  - incl. related persons
- Act within the confines of the Mol
- Just because they have the power, doesn't mean they should use it

# Section 76

- Directors Conduct (incl. prescribed officers and committee members):
  - Can't personally gain
  - Can't harm company
  - Must communicate info to board.
  - Can't disclose info to third parties.
  - Must act in good faith, in best interests of Co. and to best of abilities.
- Must use reasonable diligence to adhere, allowed to rely on advice of attorneys and accountants.

# Directors Liability

# Different liabilities in Act

- S218 – Civil liability
- S 77 - Directors liability
  - Shareholders and directors



# Directors: personal liability if contravening Co Act

- A director must exercise the powers and perform the functions of director
  - With the degree of **care, skill and diligence** that may reasonably be expected of such a person
  - S218(2) personal liability for any contravention of the Act

# NB: S218(2) of Companies Act

- Compliance through personal liability
- S218(2)
  - Any person who contravenes the provisions of this Act
  - Is liable to any other person
  - For any loss or damage suffered by that person as a result of that contravention

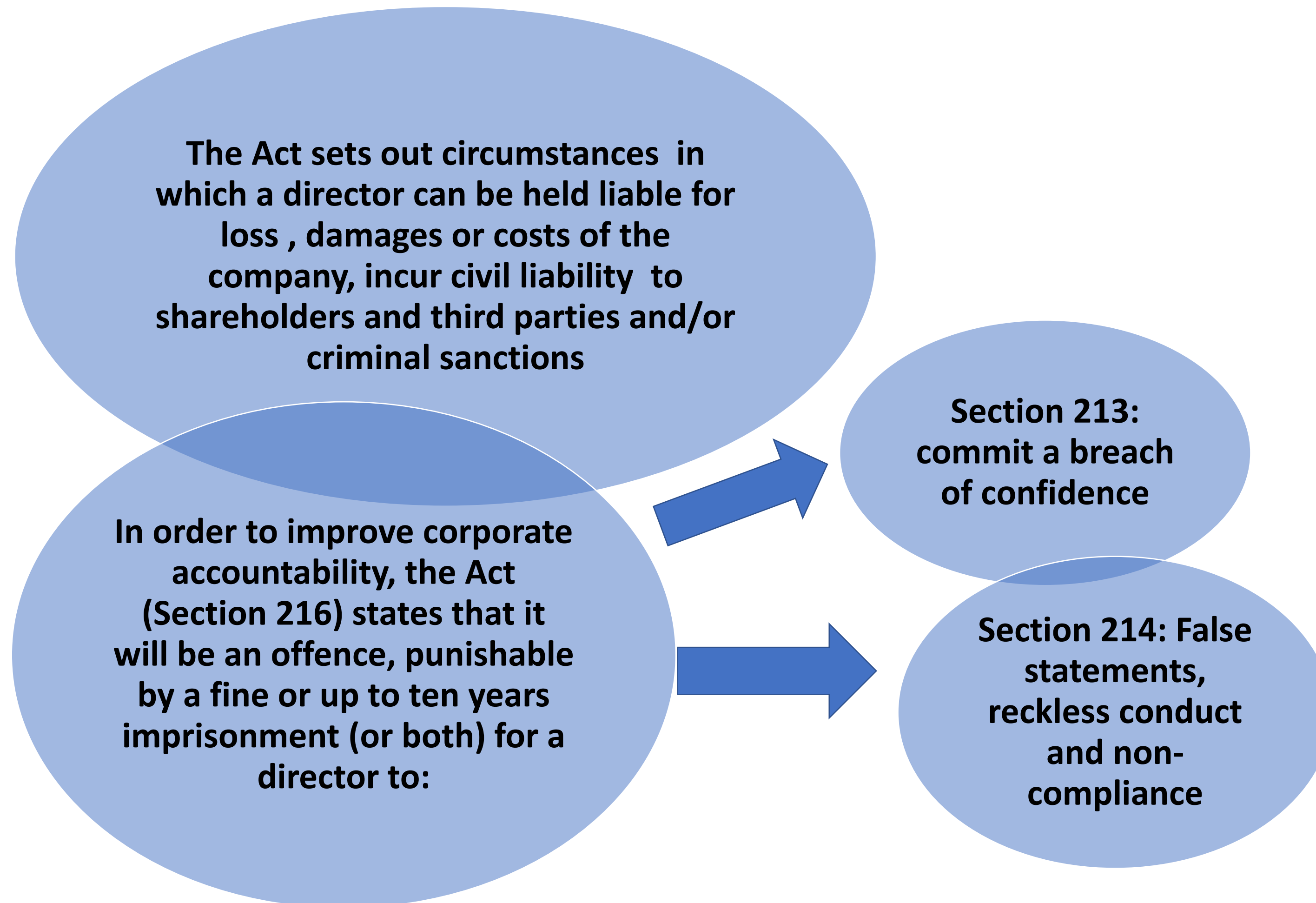
# Reckless and Fraudulent Trading

- S22, Reg 20 and 21
- A company must not carry on its business
  - Recklessly
  - With gross negligence
  - With intent to defraud any person, or
  - For any fraudulent purpose (s22)
- Liquidation of solvent and insolvent companies
  - S22 NCA and S424 of old Act...

# Bellini v Paulsen and others (17096/209) 2012 ZAWCHC 199 (28 Nov 2012)

- Contravention of the Act: personal liability
- When is a business person reckless?
- “...The defendant, with reckless disregard of his duties, allowed this situation to continue... ..well knowing that the company had no assets and no way of servicing the debt.”

# LIABILITY OF DIRECTORS



# Governance – Directors

- Directors Liability S 77,
  - Directors, prescribed officers and committee members
- S77(2) A Dir. may be held liable to common law of delict for any ‘loss, damages or cost’ arising out of:
  - a breach of fiduciary duty,
  - failure to act with required competence, or
  - breach of any other provision of Act or MOI.

- S77(3) Similar to sub 2 but includes ‘indirect consequences’ out of situation where Dir. had:
  - Acted without authority,
  - Acquiesced to reckless, grossly negligent or fraudulent activity by Co.,
  - Been a party to act or omission designed to defraud creditors, shareholders, employees or third parties,
  - Signed, consented to or auth. publication of false financial statements or prospectus **but** allowed to rely on accountants,
  - Been at meeting and failed to vote against:
    - Issuing unauthorised shares or securities,
    - Granting of options to subscribe to unauth. Securities,
    - Provision of financial assistance for buying of shares,
    - Making a distribution (S&L),
    - Making an allotment of shares, or
    - Acquisition of own shares by Co.

# Directors Responsibilities



# Directors are the captains of the ship

- Scan the environment that the business operates in
- Risk assessment
  - Capitals of business: Natural, Human, Social, Financial, Technological....
- Control Environment
  - Internal controls: Prevent, detect and correct
  - Prevention of Fraud

# Financial assistance

- Loans and Debtors
- Expected credit loss

# S45 Loans or other financial assistance to directors

(1) In this section, “financial assistance”—

(a) includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation; but

(b) does not include—

(i) lending money in the ordinary course of business by a company whose primary business is the lending of money;

(ii) an accountable advance to meet—

(aa) legal expenses in relation to a matter concerning the company; or

(bb) anticipated expenses to be incurred by the person on behalf of the company; or

(iii) an amount to defray the person’s expenses for removal at the company’s request.

(2) Except to the extent that the Memorandum of Incorporation of a company provides otherwise,  
**the board may authorise** the company to provide direct or indirect financial assistance to a director or prescribed officer of the company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or member, **subject to subsections (3) and (4).**

**(5) If the board of a company adopts a resolution to do anything contemplated in subsection (2), the company must provide written notice of that resolution to all shareholders, unless every shareholder is also a director of the company, and to any trade union representing its employees—**

**(a) within 10 business days after the board adopts the resolution, if the total value of all loans, debts, obligations or assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds one-tenth of 1% of the company's net worth at the time of the resolution; or**

**(b) within 30 business days after the end of the financial year, in any other case.**

**(6) A resolution by the board** of a company to provide financial assistance contemplated in subsection (2), or an agreement with respect to the provision of any such assistance, **is void to the extent that the provision of that assistance would be inconsistent** with—

**(a)** this section; or

**(b)** a prohibition, condition or requirement contemplated in subsection (4).

**(7) If a resolution or an agreement is void** in terms of subsection (6) a **director of a company is liable** to the extent set out in section 77 (3) (e) (v) if the director—

**(a) was present at the meeting** when the board approved the resolution or agreement, **or participated in the making of such a decision** in terms of section 74; and

**(b) failed to vote against the resolution or agreement, despite knowing that the provision of financial assistance was inconsistent** with this section or a prohibition, condition or requirement contemplated in subsection (4).

# Directors Remuneration

- Audited AFS
- Special resolution to approve

- **S30 (4) to (6) Additional disclosure if AFS audited:**
  - Remuneration & benefits received by
    - Each director
    - Individuals who hold (have held) a prescribed office
  - Pensions paid by the Co or to a pension scheme for.
    - Current & past directors
    - Individuals who hold (have held) a prescribed office
  - Compensation paid for loss of office
    - Current & past directors
    - Individuals who hold (have held) a prescribed office
  - No. & class of any securities held plus compensation received by Co for securities
    - by the directors or prescribed officers
    - Anyone related to them
  - Details of service contracts
    - Each director
    - Individuals who hold (have held) a prescribed office



- Remuneration or benefits paid or receivable by Directors or Prescribed officers
  - As directors/prescribed officers
  - Includes
    - for being a Director/PO of another Co in Group
    - In connection with carrying on the affairs of the Co/another Co in Group

- Remuneration includes:
  - Fees paid to directors for services rendered by them to Co/ on behalf of Co
    - Includes amount received for accepting office
  - Salary, bonuses, performance related payments
  - Expense allowances
    - Director not required to account for
  - Contributions paid under pension scheme not otherwise required to be disclosed

- Remuneration includes (cont):
  - The value of any option/right given directly/indirectly
    - to current/past/future director (or any person related to them)
  - Financial Assistance to subscribe/purchase securities
    - to current/past/future director (or any person related to them)
    - Contemplated by S44

# Statutory responsibilities

- FICA – S29 Suspicious transactions
- PRECCA
- Labour law
- Compliance – annual returns, tax
- Consumer Protection Act
- National Credit Act
- POPI

- Preparing and submitting financial statements
- Required to be audited or reviewed – directors responsible
  - **PI Score**
- Maintaining accounting records
- Setting up committees
- Business Rescue
  - Required to initiate business rescue proceedings if financially distressed

# The definition of financial distress

- in reference to a particular company at any particular time, means that:
  - it appears to be reasonably unlikely that the company will be able to pay all of its debts as they fall due and payable within the immediately ensuing six months; or
  - it appears to be reasonably likely that the company will become insolvent within the immediately ensuing six months.

# Assessing going concern

# Going Concern

- Management's assessment – When performing risk assessment procedures:
  - Management assessed
  - Management did not assess
    - Request assessment
- Events and conditions identified
  - Evaluate management assessment
    - If events identified
    - At least 12 months
    - Period beyond assessment
- Going concern applicability
- Auditor response



# Going Concern

- **Financial Factors**

- Net liabilities or current liabilities
- Borrowings due
- Withdrawal of creditor support
- Negative cash flow
- Adverse ratios
- Operating losses
- Dividends in arrears
- Unable to pay creditors
- Credit to COD
- Unable to obtain financing

- **OPERATING FACTORS**

- Intention to liquidate
- Loss of key management
- Loss of market, customer, supplier, etc.
- Labour difficulties
- **Supply shortage**
- **New competitor**

# Going Concern

- **OTHER FACTORS**
- Non-compliance with legal requirements
- Pending litigation
- Changes in laws and regulations
- **Underinsured catastrophes**

# Estimates and disclosures

- **Valuation assumptions and techniques**
- Financial instruments
- Impairments of monetary and non monetary assets
  - indicators
- Fair values
- Recoverability of financial assets
- Risk disclosures
- Property plant and equipment
- Subordination agreements
- Letters of comfort vs letters of support
- Related party transactions
- Deferred tax assets
- Provisions
- Intangibles (GW)
- Loan covenants
- Securities etc

# Compiler's Responsibilities

# Per the Companies Act and ISRS 4410

- State prominently who prepared AFS
- At Directors instruction
- NOCLAR
- Ethically, with due care
- Reconciliation of underlying records
- Reporting Framework
  - Selection of accounting policies
- Fundamental concepts
  - Going concern
  - Accrual

# Assurance Responsibilities

# Companies Act, Ethics and Standards

- NOCLAR
- Audit Report
- Pre Engagement
- Going Concern
- Fraud
- Internal Controls

# Areas impacted

- Going concern
- Subsequent events
- Impairments
  - Goodwill
  - Assets
  - Financial assets
- Accounting for estimates – changes in...



- Restructuring of businesses
  - Business combinations
- Fair values of assets
  - operational and investment
- Provisions
  - Onerous Contracts

- Impact of Forex
- Revenue
  - Contractual obligation
  - Forecasts
- Leases

# Going Concern and Subsequent Events

# Disclosure Challenge

- Going concern vs Subsequent Event
  - Adjusting or non adjusting??
- Going concern basis
  - Basis of preparation
  - Audit report
  - Directors Report
  - Notes to AFS

# Going concern considerations

- **SUBSEQUENT EVENT**
- Loss of revenue
- Onerous contracts
- Impairments to assets
- Goodwill impairments
- Relief measures
- Access to supply
- Contractual penalties for failure to preform
- Valuations of assets
- Forex

# Notes to AFS 2020

- Consider how this will look in 2021....

# Disclosure: Not a going concern

- **Events after the reporting period**
- The National Coronavirus Disease 2020 Lockdown, which was implemented after the reporting period, has severely impacted the ability of the company to continue trading after the reporting period and the company is therefore no longer a going concern.
- **Going concern**
- As a result of the events disclosed in note X, events after the reporting period, the director has reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the company and does not believe that the company has adequate financial resources to continue in operation for the foreseeable future. The financial statements have accordingly not been prepared on the going concern basis.

# Disclosure: Outlook not looking good

- **Outlook not looking good – material uncertainty relating to going concern but AFS still prepared on going concern basis**

## Events after the reporting period

- The National Coronavirus Disease 2020 Lockdown, which was implemented after the end of the reporting period, resulted in the company being unable to trade for the period X to X. This has negatively impacted the cash flow of the company and creates material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.
- *Include any other disclosures here, adjusting or adjusting, as a result of Covid19*
- The director is not aware of any other material event which occurred after the reporting date and up to the date of this report.

## Going concern

- The conditions disclosed in note X, events after the reporting period, give rise to a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that that the company will continue to receive the support of its holding company / shareholders / government funding and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.



# Disclosure: Outlook uncertain

## Events after the reporting period

- The extent of the impact on the company of the National Coronavirus Disease 2020 Lockdown, which was implemented after the end of the reporting period, has yet to be established. The lockdown may give rise to an uncertainty which may cast doubt about the company's ability to continue as a going concern.
- *Include any other disclosures here, adjusting or adjusting, as a result of Covid19 (eg – impairment of assets)*
- The director is not aware of any other material event which occurred after the reporting date and up to the date of this report.

## Going concern

- The conditions disclosed in note X, events after the reporting period, may give rise to an uncertainty which may cast doubt about the company's ability to continue as a going concern. However, since the potential impact of the National Coronavirus Disease 2019 Lockdown was not yet quantifiable at the date of issue of the financial statements, the financial statements are prepared on the basis of accounting policies applicable to a going concern. The director believes that the company should have adequate financial resources, and access to sufficient borrowing facilities, to continue in operation for the foreseeable future.

# Impairments

# Impact on Impairments

- Cost accounting only
  - Goodwill,
  - Tangible assets,
  - Financial assets (later)
- Net realisable value vs Carrying amount
- Value in use
- Fair value less cost to sell
- Intention towards assets
- Cash generating units

# Impact on Impairments

- Cost accounting only
  - Goodwill,
  - Tangible assets,
  - Financial assets (later)
- Net realisable value vs Carrying amount
- Value in use
- Fair value less cost to sell
- Intention towards assets
- Cash generating units

# Indicators of Impairment

- IFRS for SME – only when there is an indicator
- IFRS: Annual reviews
  - Acquired goodwill
  - Indefinite useful intangible asset
  - Intangible assets not yet available for use

# External sources of information

- Significant decline in assets market value
- Significant adverse current or future changes in
  - the technological, market, economic or legal environment
  - in which the entity operates or
  - The market to which the asset is dedicated
- Increase in market interest rates, or other market rates of return on investments (decrease in RA)
- CV of net assets exceed entity's market capitalisation

# Internal sources of information

- Evidence of obsolescence or physical damage
- Current or future adverse changes in the extent or manner in which the asset is intended to be used
- Internal reports indicate that the economic performance is or will be **worse than expected**

- **Indicator of worse than expected performance**

- Acquisition costs or subsequent expenses higher than originally expected
- Significantly worse actual net CF's or operating profits
- Significant decline in budgeted net CF's or operating profits
- Existence of loss when current and prior figures aggregated
- Actual CF's are materially less than estimated before discounting



# So you need to calculate your recoverable amount:

- Higher of value in use OR
- Fair value less costs to sell (NRV)
  
- Is there a market?
- Can you use asset in isolation?
- Goodwill allocation?
- Discounted Cash flow issues??

# Forecasting challenges with C-19

- Over what timeline????
- cash flows implications
- Relooking at business model, costs and expenses
- Access to financing
- Payment holidays
- What discount rate??

# Estimates

# Estimates

- Objective : Consistency
  - Prescribe criteria for selecting policies, treatments and disclosures of changes and errors
  - Prepare and present AFS on a consistent and comparable basis
  - All items of income and expense recognised to profit or loss, unless otherwise stated
  - Prospective vs. retrospective

# Changes in Accounting Estimates

- Estimates require revision
- Can't distinguish b/n  $\Delta$  in Acc policy or  $\Delta$  in estimate – treat as the latter
- Methods
  - Reallocation method (eg depreciation)
  - Cumulative catch up method (provisions)
- Need to be practical
- reallocation method sanctioned, cumulative catch up superior
- **IAS 20 Government Grants**

# Disclosures

- Nature of change
- Amount of change of estimate that effects current period
- Effect on future reporting periods
- Impracticable?

# Auditing of Estimates

- Assumptions vs Data

# Restructuring Considerations



# Restructuring

- Business combinations IFRS 3
- Goodwill issues
- Fair values at date of acquisition
- Liquidation issues
- Loan accounts
- Recoverability issues
- Tax planning – beware unbundling issues

# Market Values vs Fair Values

# Market/Fair Values

- Is there a market?
  - How do you assess cash flows?
  - Date specific
  - Discount rates??
  - Disclosure on impact
  - Assumptions and judgements
- Examples:
    - Investment Properties
    - Biological Assets
    - Financial Instruments
  - Inventory valuation (NRV)
  - Residual values for PPE
    - Impact on useful lives
  - Revaluation assessments
  - Recoverability of debtors...

# Investment Properties

- Fair values at reporting dates
- Intention for use
  - Capital appreciation
  - Rentals
- Market values
- Losses
- Deferred Tax rate?
- Capital losses??

# Inventory

- Cost vs Net recoverable amount
  - Fair value less cost to sell and complete
- Disclosure implications
- Abnormal losses or trade?
- Obsolescence
- Stock takes and valuation at year end

# Property plant and equipment

- Useful lives
- Intention
- Residual values
- Revaluations vs Devaluations
- Impairment?
- Deferred Tax

# Financial Assets

- Expected credit loss
- Financial assistance
- Bad Debts

# Provisions



# Provisions

- Present obligation
  - More likely than not
- Possible obligation??
  - Contingent liabilities
- Constructive vs legal
- Onerous contracts
- IAS 37 does not supecede more specific requirements of other statements

# Provisions vs. Contingent Liabilities

## Provisions are

- liabilities for which
  - The amount or timing
  - For the expenditure that will be undertaken
  - Is uncertain

## Contingent liabilities are

- A possible obligation
  - whose existence will be confirmed by the occurrence or non occurrence
  - Of one or more uncertain events
- A present obligation not recognised because
  - Not probable or
  - Can't measure with reliability
- Legal claims

# Provisions vs. Contingent Liabilities

- Provisions need an OBLIGATING EVENT
  - Gives rise to a present obligation
- Identification of an obligating event
  - Exists where there is no realistic alternative
  - May be a legal obligation
  - May be a constructive obligation
  - Will always involve another party to whom obligation is owed.

# Prov vs CL Decision Diagram

<b>Reasonable estimate</b>	<b>Outflow</b>				
	virtually certain	More likely than not	Likely to as not	Less likely	remote
<b>Can</b>	Raise Prov	Raise Prov	Disclose Cont. Liab.	Disclose Cont. Liab.	Ignore
<b>Can't</b>	Disclose Cont. Liab.	Disclose Cont. Liab.	Disclose Cont. Liab.	Disclose Cont. Liab.	Ignore

- No obligating event = No provision
- Exception 1
  - Uncertain that obligating event has happened
  - Deemed to take place if it is **probable** that there will be an outflow of resources

- Exception 2
  - Contingent liability of an acquiree are raised as liabilities in business combinations
  - Seen as present obligations of the acquirer
  - As implicitly been paid to assume (would have paid more)

# Contingent Liabilities and Business Combinations

- CL of acquiree whose fair valued can be measured reliably be recognised by acquirer
  - How much would third parties charge to assume responsibility
  - Probabilities of various outcomes
- Initial recognition = FV
- Subsequent recognition problematic
  - Higher as per IAS 37 and “amortised cost”

# Identifying provisions

- Distinguishing feature = uncertainty
  - Timing of future expenditure
  - Amount of future expenditure
- Accrued expenses
- **Obligations arising from past events existing independently of entity's future actions**
- Future operating losses
  - Impairment?



- A provision shall be **recognised** when and ONLY when
  - An entity has a legal or constructive obligation
  - To transfer economic benefits
  - As a result of past events, and
  - A reasonable estimate of the amount can be made

- Present obligation exists when
  - There is no realistic alternative
  - Legal or constructive obligation exist
- Constructive obligation =
  - Valid expectation
  - Protect reputation
  - Judgment required

# Measuring provisions

- Best estimate of settlement at Reporting Date
  - Prudent pre-tax basis
  - (careful about being overly conservative)
  - Discount if effects material

- Possible measurement tests
  - How much to settle immediately
  - Probability theory to compute expected value
  - Most likely amount
  - Experts
  - Past experience
- Review each balance sheet date
  - Change in estimate
  - Assess recognition criteria

- Used only for expenditures that related when originally created
- Gains from expected disposals not included, even if closely linked
- Future events
  - Changing technology etc?
- Discounting
  - Record provision at present value

# Provisions for restructuring

Defined as a programme

- that is planned and controlled by management and
- Materially changes
  - The business' scope
  - Manner in which business is conducted
- Could be a discontinued operation (notes)
- Business Combination – only existing prov.

- Onerous contracts
  - Lower of cost of fulfilling contract or penalties etc payable if failure to fulfil
- Reimbursement
  - Cant offset against contingent asset (only raised when virtually certain)
  - Expense can be offset in P&L (net recovery)

# Disclosure - Provisions

- Description
- Expected timing of outflows
- Indication of uncertainty
- Reimbursements?
- Reconcile OB to CB
- Increases in the discounted amount as a result of
  - Changes in discount rate
  - Passage of time
- Exception to disclosure
- Subsequent event announcement of restructuring



# Disclosure – Contingent Liabilities

- Unless outflow remote
- Description
- Information obtainable without undue effort or cost
  - Financial effect
  - Indication of uncertainties
  - Reimbursements?
  - Exception

# Rare exception to rules (prov, CL and CA)

- Would disclose seriously prejudice the position of the entity
- In negotiations with another party
- In respect of a dispute?
  
- If so, disclose:
  - General nature of dispute
  - Fact that info has not been disclosed
  - Reason why.

Leave pay and bonuses

Deferred Tax?

# Bits and bobs

# Forex

- Impact of inventory
- Gains and losses in P&L
- Hedging
- Financial management
- Risk disclosures

# Revenue and leases

- What is happening in your contracts?
- Term of contracts
- Cancellations
- Performance obligations
- Concessions
- Discounting cash flows

# Disclosure in AFS



# Narrations – Tell a story

- Directors Report
- Notes to AFS
- Get ahead of the problem....
- Going concern

# Nature, size or incidence

- Separate disclosure

# Q&A

Please use the chat sidebar to the right of the video / presentation on the screen to ask your questions.

If you would like to e-mail a question please use:

[technicalquestions@accountingacademy.co.za](mailto:technicalquestions@accountingacademy.co.za)

**Thank you for your  
participation**