## IFRS AT A GLANCE IAS 10 Events after the Reporting Period





## IAS 10 Events after the Reporting Period

DEF	INITIONS		
Favourable or unfavourable event, that occurs between the reportin	g date and the date that the financial statements are authorised for issue.		
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ADJUSTING EVENTS	NON-ADJUSTING EVENTS		
<ul> <li>An event after the reporting date that provides further evidence of conditions that existed at the reporting date.</li> <li>Examples:</li> <li>Events that indicate that the going concern assumption in relation to the whole or part of the entity is not appropriate</li> <li>Settlement after reporting date of court cases that confirm the entity had a present obligation at reporting date</li> <li>Bankruptcy of a customer that occurs after reporting date that confirms a loss existed at reporting date on trade receivables</li> <li>Sales of inventories after reporting date of cost of assets purchased or proceeds from assets sold, before reporting date</li> <li>Discovery of fraud or errors that show the financial statements are incorrect.</li> </ul>	<ul> <li>An event after the reporting date that is indicative of a condition that arose after the reporting date.</li> <li>Examples:</li> <li>Major business combinations or disposal of a subsidiary</li> <li>Major purchase or disposal of assets, classification of assets as held for sale or expropriation of major assets by government</li> <li>Destruction of a major production plant by fire after reporting date</li> <li>Announcing a plan to discontinue operations</li> <li>Announcing a major restructuring after reporting date</li> <li>Major ordinary share transactions</li> <li>Abnormal large changes after the reporting period in assets prices or foreign exchange rates</li> <li>Changes in tax rates or tax law</li> <li>Entering into major commitments such as guarantees</li> <li>Commencing major litigation arising solely out of events that occurred after the reporting period.</li> </ul>		
Financial statements are adjusted for conditions that existed at reporting date.	<ul> <li>Financial statements are not adjusted for condition that arose after the reporting date.</li> </ul>		
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GOING CONCERN	DIVIDENDS		
An entity shall <b>not</b> prepare its financial statements on a going concern basis if management determines after the reporting date either that it intends to liquidate the entity or to cease trading, or that it has no realistic alternative but to do so.	Dividends that are declared after reporting date are <b>non-adjusting</b> events.		
	DISCLOSURE		
	<ul> <li>Disclose for each material category of non-adjusting events:</li> <li>The nature of the event</li> <li>An estimate of its financial effect or the statement that such estimate cannot be made.</li> </ul>		
DISCLOSURES FOR ADJUSTI	NG AND NON-ADJUSTING EVENTS		
<ul> <li>Date of authorisation of issue of financial statements and by whom</li> <li>If the entity's owners or others have the power to amend the financial statements after issue, the entity is required</li> <li>For any information received about conditions that existed at reporting date, disclosure that relate to those condition</li> </ul>	to disclose that fact		



## Contact

For further information about how BDO can assist you and your organisation, please get in touch with one of our key contacts listed below. Alternatively, please visit <u>www.bdo.global</u> where you can find full lists of regional and country contacts.			NORTH AMERICA &			
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