



IAS 10 — Events After the Reporting Period



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Overview

IAS 10 *Events After The Reporting Period* contains requirements for when events after the end of the reporting period should be adjusted in the financial statements. Adjusting events are those providing evidence of conditions existing at the end of the reporting period, whereas non-adjusting events are indicative of conditions arising after the reporting period (the latter being disclosed where material).

IAS 10 was reissued in December 2003 and applies to annual periods beginning on or after 1 January 2005.

History of IAS 10

July 1977	Exposure Draft E10 <i>Contingencies and Events Occurring After the Balance Sheet Date</i>
October 1978	IAS 10 <i>Contingencies and Events Occurring After the Balance Sheet Date</i> effective 1 January 1980
1994	IAS 10 (1978) was reformatted
August 1997	Exposure Draft E59 <i>Provisions, Contingent Liabilities and Contingent Assets</i>
September 1998	IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>
1 July 1999	Effective date of IAS 37, which superseded those portions of IAS 10 (1978) dealing with contingencies
November 1998	Exposure Draft E63 <i>Events After the Balance Sheet Date</i>

May 1999	IAS 10 (1999) <i>Events After the Balance Sheet Date</i> superseded those portions of IAS 10 (1978) dealing with events after the balance sheet date
1 January 2000	Effective date of IAS 10 (1999)
18 December 2003	Revised version of IAS 10 issued by the IASB
1 January 2005	Effective date of IAS 10 (Revised 2003)
6 September 2007	Retitled <i>Events after the Reporting Period</i> as a consequential amendment resulting from revisions to IAS 1

Related Interpretations

- None

Summary of IAS 10

Key definitions

Event after the reporting period: An event, which could be favourable or unfavourable, that occurs between the end of the reporting period and the date that the financial statements are authorised for issue. [IAS 10.3]

Adjusting event: An event after the reporting period that provides further evidence of conditions that existed at the end of the reporting period, including an event that indicates that the going concern assumption in relation to the whole or part of the enterprise is not appropriate. [IAS 10.3]

Non-adjusting event: An event after the reporting period that is indicative of a condition that arose after the end of the reporting period. [IAS 10.3]

Accounting

- Adjust financial statements for adjusting events - events after the balance sheet date that provide further evidence of conditions that existed at the end of the reporting period, including events that indicate that the going concern assumption in relation to the whole or part of the enterprise is not appropriate. [IAS 10.8]
- Do not adjust for non-adjusting events - events or conditions that arose after the end of the reporting period. [IAS 10.10]
- If an entity declares dividends after the reporting period, the entity shall not recognise those dividends as a liability at the end of the reporting period. That is a non-adjusting event. [IAS 10.12]

Going concern issues arising after end of the reporting period

An entity shall not prepare its financial statements on a going concern basis if management determines after the end of the reporting period either that it intends to liquidate the entity or to cease trading, or that it has no realistic alternative but to do so. [IAS 10.14]

Disclosure

Non-adjusting events should be disclosed if they are of such importance that non-disclosure would affect the ability of users to make proper evaluations and decisions. The required disclosure is (a) the nature of the event and (b) an estimate of its financial effect or a statement that a reasonable estimate of the effect cannot be made. [IAS 10.21]

A company should update disclosures that relate to conditions that existed at the end of the reporting period to reflect any new information that it receives after the reporting period about those conditions. [IAS 10.19]

Companies must disclose the date when the financial statements were authorised for issue and who gave that authorisation. If the enterprise's owners or others have the power to amend the financial statements after issuance, the enterprise must disclose that fact. [IAS 10.17]



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