

THE ANNUAL FINANCIAL REPORTING WEEK

Theme : Reliance on enhanced financial reporting for economic growth and development

IAS 8, IPSAS 3 / SECTION 10 OF IFRS FOR SMEs

IAS 10 EVENTS AFTER THE REPORTING PERIOD

QUIZ BEFORE SESSION BEGINS

1. What is the reporting period of an entity?
2. What are events after the reporting period?
3. What are adjusting events?
4. What are non-adjusting events?
5. How do you identify the date financial statements are authorized for issue?

DISCUSSIONS AFTER PRESENTATION

Case 1.

Maisha Ltd's. financial year was 31 December. On 30 November 2017, Maisha Ltd. was involved in a court case. A customer sued the company over wrong ingredients included in the products. The products were delivered to the customer in August 2017. The case went to court and was heard on 27 December, 2017. The Judge decided to reserve judgment until 20 January 2018. On 20 January 2018, the Judge ruled in favour of the customer, awarding it damages of Kshs 2,500,000/= against Maisha Ltd.

Identify the nature of the event and action to be taken on the financial statements if any?

Case 2.

Beba Beba Ltd. has an investment worth Kshs 3,500,000/= in its financial statements at 31 December 2017. Due to the economic uncertainty caused by redirecting of foreign investors to the neighboring countries, the investment reduced in value to Kshs 2,400,000/= by 29 January 2018.

Identify the nature of the event and action to be taken on the financial statements if any.

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Case 3.

On 15 January 2018, Soko Tele Limited sold some inventory for Kshs 120,000/=. This inventory had been included in the year-end inventory count at cost of Kshs 500,000/=.

Case 4.

A dividend of Kshs 600,000, in relation to the financial year-ending 31 December 2017, was declared in February 2018 and paid on 15 March 2018. The accountant included the dividend in the financial statements for the year-ended 31 December 2017 as a liability.