

IAS PLUS

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IFRS

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South African
supplement

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IAS	Difference	SA GAAP
IAS 2	<p><i>Inventories:</i></p> <ul style="list-style-type: none"> • IAS 2 allows the use of the LIFO, FIFO or weighted average costing system, while AC 108 only allows the use of the FIFO and weighted average costing systems. 	AC 108 Effective date: 01/10/95
IAS 7	<p><i>Cash Flow Statements:</i></p> <ul style="list-style-type: none"> • AC 118 requires a reconciliation between the net profit before taxation and the cash generated from operations to be given in a note to the financial statements where this information is not provided in the body of the cash flow statement. • IAS 7 does not require such reconciliation. 	AC 118 Effective Date: 01/07/1996
IAS 8	<p><i>Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies:</i></p> <ul style="list-style-type: none"> • IAS 8 (revised) allows an alternative treatment for the correction of a fundamental error i.e. the amount of the correction can be included in the determination of the net profit or loss for the current period, with no restatement of comparative information. This is not permitted in AC 103. • IAS 8 (revised) allows an alternative treatment in the accounting for the effects of a change in accounting policy i.e. any resulting adjustment should be included in the determination of the net profit or loss for the current period, with no restatement of comparative information. 	AC 103 Effective Date: 01/03/1995

IAS	Difference	SA GAAP
IAS 8	<p><i>Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies (continued):</i></p> <ul style="list-style-type: none"> • AC 103 requires the disclosure of the taxation effect and amount attributable to outside shareholders for extraordinary items, changes in accounting estimate, changes in accounting policy, fundamental errors, and items which are separately disclosed due to size, nature or incidence. • IAS 8 requires the tax effect to be dealt with in terms of IAS 12 – Income Taxes. 	AC 103 Effective Date: 01/03/1995
IAS 12	<p><i>Income Taxes</i></p> <ul style="list-style-type: none"> • AC102 requires a reconciliation of the deferred tax asset and liability, from the beginning to the end of the reporting period. • IAS 12 includes as a component of the tax expense (income), the amount of the tax expense (income) relating to changes in accounting policies and fundamental errors included in net profit or loss for the period in accordance with IAS 8. This allowed alternative was not included in AC 103 and has been deleted from AC 102 	AC 102 Effective Date: 01/07/1999 2001 Revisions Effective Date: 01/01/2001
IAS 15	<p><i>Information reflecting the Effects of Changing Prices:</i> AC 201 (not mandatory in SA)</p>	AC 201

IAS	Difference	SA GAAP
IAS 16	<p><i>Property, Plant and Equipment:</i></p> <ul style="list-style-type: none"> • IAS 16 does not require disclosure for the comparative period of a reconciliation of the carrying amount at the beginning and end of the period showing: <ol style="list-style-type: none"> (a) Additions (b) Disposals (c) Acquisitions through business combinations (d) Increases and/or decreases due to revaluation (e) Impairment losses recognised/reversed (f) Depreciation (g) Net exchange differences arising on the translation of a foreign entity's financial statements. • AC 123 requires the disclosure of depreciation charged in arriving at net profit or loss for the year • AC 123 requires the following additional disclosures when items are carried at revalued amounts: <ol style="list-style-type: none"> (a) the realised and unrealised portions thereof, and (b) the outside shareholders' share thereof. (c) The portion of the depreciation charge relating to the revaluation. 	<p>AC 123 Effective Date: 01/01/1995</p>
IAS 18	<p><i>Revenue</i></p> <ul style="list-style-type: none"> • AC 111 provides the following additional guidance on dividend recognition: <ul style="list-style-type: none"> • Dividends from investments not accounted for under the equity method of accounting are not normally recognised in the income statement until the last date to register has passed. • However, dividends from subsidiaries are sometimes recognised in the income statement of the holding company although they are declared a short time after the year end 	<p>AC 111 Effective Date: 01/01/1995</p>

IAS	Difference	SA GAAP
IAS 22	<p><i>Business Combinations:</i></p> <ul style="list-style-type: none"> • IAS 22 (revised) allows the effect of adopting this standard to be recognised as an adjustment to the net profit or loss for the current period in accordance with the allowed alternative treatment in IAS 8. This alternative is not permitted in AC 103 Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies, and accordingly is not permitted in AC 131. • There are transitional provisions contained in IAS 22 for: <ul style="list-style-type: none"> (a) A business combination that was an acquisition and arose in annual financial statements covering periods beginning before 1 January 1995, and (b) A business combination that was an acquisition and arose in annual financial statements covering periods beginning on or after 1 January 1995, but before IAS 22 (revised) is effective. • IAS 22 does not require comparative information for the disclosure required on goodwill and negative goodwill. 	AC 131 Effective Date: 01/01/2000
IAS 24	<p><i>Related Party Disclosure:</i></p> <ul style="list-style-type: none"> • The scope of AC 126 includes related party relationships with jointly controlled entities. 	AC 126 Effective Date: 01/07/1998
IAS 27	<p><i>Consolidated Financial Statements and Accounting for Investments in Subsidiaries:</i></p> <ul style="list-style-type: none"> • In terms of IAS 27 a parent company is required to present consolidated financial statements unless it is a wholly-owned, or “virtually” wholly- owned subsidiary of another enterprise. Approval should be obtained from the minority shareholders for “virtually” wholly-owned subsidiaries to be exempt. <p>The exemption in AC 132 does not apply to “virtually” wholly -owned subsidiaries.</p>	AC 132 Effective Date: 01/01/2000

IAS	Difference	SA GAAP
IAS 28	<p><i>Investments in Associates:</i></p> <ul style="list-style-type: none"> • AC 110 requires additional disclosure, over and above the listing and description of significant associates and methods required by IAS 28. This includes <ol style="list-style-type: none"> (a) The carrying amount of each significant associate (b) Summarised financial information in regard to assets, liabilities and the results of operations of significant associates presented individually or in appropriate groupings (c) The investor's share of aggregate post acquisition reserves or deficits of associates (d) Gross carrying amount of loans made to associates or received from associates by the investor (e) Accounting periods for which the financial statements of the significant associates have been prepared where they are different from those of the investor (f) The aggregate market value of investments in listed associates and the aggregate directors' valuation of investments in unlisted associates (g) Distributions received from or accrued in respect of associates (h) Gains or losses on sale of shares or other dilutions in investments in associates by the investor. 	<p>AC 110 Effective Date: 01/07/1998</p>
IAS 31	<p><i>Joint Ventures:</i></p> <ul style="list-style-type: none"> • AC 119 makes references to the recognition and disclosure of cash flows of joint ventures. No such references are made in IAS 31. • AC 119 emphasises that the requirements of the statement apply to a group consisting of the venturer and the jointly controlled entity. 	<p>AC 119 Effective Date: 01/03/1997</p>

IAS	Difference	SA GAAP
IAS 32	<p><i>Financial Instruments: Disclosure and Presentation:</i></p> <ul style="list-style-type: none"> AC 125 requires dividends included within the interest expense on the face of the income statement to be separately disclosed in the notes to the financial statements. 	<p>AC 125 Effective Date: 01/01/1998</p>
IAS 34	<p><i>Interim Financial Reporting:</i></p> <ul style="list-style-type: none"> IAS 34 allows an alternative treatment in the accounting for the effects of a change in accounting policies i.e. any resulting adjustment should be included in the determination of the net profit or loss for the current period, with no restatement of comparative information. This allowed alternative was not included in AC 103, and has been deleted from the statement. 	<p>AC 127 Effective Date: 01/07/1999</p>
IAS 37	<p><i>Provisions, Contingent Liabilities and Assets:</i></p> <ul style="list-style-type: none"> IAS 37 does not require comparative information to be presented for the disclosure of the reconciliation of movement in respect of each provision. 	<p>AC 130 Effective Date: 01/01/2000</p>
IAS 38	<p><i>Intangible Assets:</i></p> <ul style="list-style-type: none"> IAS 38 allows the effect of adopting this statement to be recognised as an adjustment to net profit or loss for the current period in accordance with the allowed alternative treatment. This alternative is not permitted in <i>AC 103 Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies</i>, and accordingly is not permitted in AC 129 AC 129 encourages the following additional disclosure: <ul style="list-style-type: none"> (a) The carrying amount of intangible assets temporarily not in use. (b) The cost of any fully amortised intangible assets that are still in use. (c) The carrying amount of intangible assets retired from active use and held for disposal. 	<p>AC 129 Effective Date: 01/01/2000</p>

IAS	Difference	SA GAAP
IAS 38	<p><i>Intangible Assets (continued):</i> (d) Where the benchmark treatment is used, the fair value of intangible assets where this is materially different to the carrying amount.</p> <ul style="list-style-type: none"> • AC 129 requires the disclosure of the portion of the amortisation charge relating to the revaluation of an intangible asset. • IAS 38 does not require comparative information for the disclosure of the reconciliation of intangible assets. AC 129 requires such information. • The transitional provisions of AC 129 include the treatment of intangible assets previously written off against equity. • The transitional provision in AC 129 permits prospective application where intangible assets have been written off directly to equity before 1 January 2000. IAS 38 requires such items to be classified as intangibles and amortised. 	AC 129 Effective Date: 01/01/2000
IAS 39	<p><i>Financial Instruments: Recognition and Measurement</i></p> <ul style="list-style-type: none"> • AC 133 defines a financial asset or financial liability held for trading as one that upon initial recognition is designated by the entity as held for trading. A financial instrument shall be classified as held for trading if, it (a) is acquired or incurred principally for the purpose of selling or repurchasing, it in the near term, (b) is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking (c) is a derivative (except for a derivative that is a designated and effective hedging instrument). Any financial instrument may be designated as held for trading when it is initially recognised. 	AC 133 Effective date: 01/07/2002

IAS	Difference	SA GAAP
IAS 39	<p><i>Financial Instruments: Recognition and Measurement (continued)</i></p> <ul style="list-style-type: none"> IAS 39 defines a financial asset or liability held for trading as one that was acquired or incurred principally for the purpose of generating a profit from short-term fluctuations in price or dealer's margin. A financial asset should be classified as held for trading if, regardless of why it was acquired, it is part of a portfolio for which there is evidence of a recent actual pattern of short-term profit-taking. Derivative financial assets and derivative financial liabilities are always deemed held for trading unless they are designated and effective hedging instruments. AC 133 permits an entity to designate any financial instrument on initial recognition as held for trading. AC 133 requires that in presenting and disclosing information about financial instruments, an entity describes those financial instruments in a manner consistent with the nature of the instruments. If an entity has elected to designate as held for trading financial instruments other than those that are acquired or incurred principally for the purpose of generating a profit from short-term fluctuations in price or dealer's margin, it uses a label such as 'financial instruments at fair value (through net income)' in presenting and disclosing information about those financial instruments rather than 'financial instruments held for trading'. 	AC 133 Effective date: 01/07/2002
IAS 40	<p><i>Investment Property:</i></p> <ul style="list-style-type: none"> AC 135 requires comparative information for the disclosure of the reconciliation of assets – fair value model and reconciliation of assets – cost model. This is not required for IAS 40. AC 135 requires additional disclosure of investment property mortgaged as security for liabilities. 	AC 135 Effective Date: 01/04/2001

IAS	Difference	SA GAAP
None	<i>Disclosure in the financial statements of long - term insurers:</i> <ul style="list-style-type: none"> • There is currently no international accounting standard 	AC 121 Effective Date: 01/01/1994

SA STATEMENTS OF GAAP WHICH ARE IDENTICAL TO IAS

IAS		SA GAAP
IAS 1	<i>Presentation of Financial Statements</i>	AC 101 Effective Date: 01/07/1999
IAS 10	<i>Events after the Balance Sheet Date.</i>	AC 107 (Revised) Effective Date: 01/01/2001
IAS 11	<i>Construction Contracts</i>	AC 109 Effective Date: 01/07/1995
IAS 14	<i>Segmental Reporting</i>	AC 115 Effective Date: 01/07/1999
IAS 17	<i>Leases:</i>	AC 105 Effective Date: 01/03/2000
IAS 19	<i>Employee Benefits (Including recent revisions)</i>	AC 116 Effective Date: 01/01/2001
IAS 20	<i>Government Grants</i>	AC 134 Effective Date: 01/07/2000
IAS 21	<i>The Effects of Changes in Foreign Exchange Rate</i>	AC 112 Effective Date: 01/01/1999
IAS 23	<i>Borrowing Costs</i>	AC 114 Effective Date: 01/03/1995
IAS 26	<i>Accounting and Reporting by Retirement Benefit Plans</i>	AC 136 Effective Date: 01/06/2001
IAS 29	<i>Financial Reporting in Hyperinflationary Countries</i>	AC 124 Effective Date: 01/03/1997

IAS		SA GAAP
IAS 30	<i>Financial Statements of Banks and Financial Institutions</i>	AC 120 Effective Date: 01/01/1996
IAS 33	<i>Earnings Per Share</i>	AC 104 Effective Date: 01/01/1999
IAS 35	<i>Discontinuing Operations</i>	AC 117 Effective Date: 01/01/2000
IAS 36	<i>Impairment of Assets</i>	AC 128 Effective Date: 01/01/2000
IAS 41	<i>Agriculture</i>	AC 137 Effective Date: 01/01/2003

COMPARISON OF SA EXPOSURE DRAFT TO IAS EXPOSURE DRAFTS

IAS		SA GAAP
NO ED	<i>Report of Historical Financial Information to be Included in a Prospectus</i>	ED 140
NO ED	<i>Preface to the AC 500-series of Generally Accepted Accounting Practice</i>	ED 152 (proposed AC 500)
NO ED	<i>Accounting for Secondary Tax on Companies</i>	ED 153 (proposed AC 501)
NO ED	<i>Amendment to AC 116, Employee Benefits: Asset Ceiling</i>	ED 154
ED of Proposed Improvements to International Accounting Standards	<i>Proposed Improvements to Statements of Generally Accepted Accounting Practice</i>	ED 155
NO ED	<i>Limited Amendments to AC 133 – Financial Instruments: Recognition and Measurement</i>	ED 156
ED of Proposed Amendments to IAS 32 and IAS 39	<i>Improvements to IAS32 (AC 125) – Financial Instruments: Disclosure and Presentation and IAS 39 (AC 133) – Financial Instruments: Recognition and Measurement</i>	ED 157
ED 1	<i>First – time Application of International Financial Reporting Standards</i>	ED 158
NO ED	<i>Accounting for Secondary Tax on Companies (STC)</i>	ED 159
ED 2	<i>Share – Based Payment</i>	ED 160

IAS		SA GAAP
ED 3	<i>Business Combinations</i>	ED 161
NO ED	<i>Framework for the preparation and Presentation of Limited Purpose Financial Statements</i>	ED 163
ED 4	<i>Disposal of Non – Current assets and presentation of discontinued operations</i>	ED 164
ED 5	<i>Insurance Contracts</i>	ED 165

INTERPRETATIONS OF SA STATEMENTS OF GAAP WHICH MATCH SICs

IAS		SA GAAP
SIC 1	<i>Consistency: Different Cost Formulas for Inventory</i>	AC 401 Effective Date: 01/01/2000
SIC 2	<i>Consistency: Capitalisation of Borrowing Costs</i>	AC 402 Effective Date: 01/01/2000
SIC 3	<i>Elimination of Unrealised Profits and Losses on Transactions with Associates</i>	AC 403 Effective Date: 01/01/2000
SIC 5	<i>Classification of Financial Instruments: Contingent Settlement Provisions</i>	AC 405 Effective Date: 01/01/2000
SIC 6	<i>Costs of Modifying Existing Software</i>	AC 406 Effective Date: July 1999
SIC 7	<i>Introduction of the Euro AC</i>	407 Effective Date: July 1999
SIC 8	<i>First Time Application of IASs as the Primary Basis of Accounting</i>	AC 408 Effective Date: Dec 1999
SIC 9	<i>Business Combinations: Classification as either Acquisitions or Uniting of Interests</i>	AC 409 Effective Date: 01/01/2000
SIC 10	<i>Government Assistance: No Specific Relation to Operating Activities</i>	AC 410 Effective Date: 01/07/2000
SIC 11	<i>Foreign Exchange: Capitalisation of Losses from Severe Currency Devaluations</i>	AC 411 Effective Date: July 1999
SIC 12	<i>Consolidation of Special Purpose Entities</i>	AC 412 Effective Date: 01/01/2000

IAS		SA GAAP
SIC 13	<i>Jointly Controlled Entities: Non-monetary Contributions by Venturers</i>	AC 413 Effective Date: Dec 1999
SIC 14	<i>Property, Plant and Equipment: Compensation for Impairment or Loss of Items</i>	AC 414 Effective Date: Dec 1999
SIC 15	<i>Operating Leases: Incentives</i>	AC 415 Effective Date: Dec 1999
SIC 16	<i>Share Capital: Re-acquired own equity instruments (Treasury Shares)</i>	AC 416 Effective Date: 01/12/1999
SIC 17	<i>Equity: Costs of an Equity Transaction</i>	AC 417 Effective Date: 01/08/2000
SIC 18	<i>Consistency: Alternative Methods</i>	AC 418 Effective Date: 01/07/2000
SIC 19	<i>Reporting Currency: Measurement and Presentation of Financial Statements under IAS 21 and IAS 29</i>	AC 419 Effective Date: 01/01/2001
SIC 20	<i>Equity Accounting Method: Recognition of Losses</i>	AC 420 Effective Date: Oct 2000
SIC 21	<i>Income Taxes: Recovery of Revalued Non-Depreciable Assets</i>	AC 421 Effective Date: Oct 2000
SIC 22	<i>Business Combinations: Subsequent Adjustment of Fair Values and Goodwill Initially Reported</i>	AC 422 Effective Date: Oct 2000
SIC 23	<i>Property, Plant and Equipment: Major Inspection or Overhaul Costs</i>	AC 423 Effective Date: Oct 2000

IAS		SA GAAP
SIC 24	<i>Earnings Per Share: Financial Instruments that may be Settled in Shares</i>	AC 424 Effective Date: 18 Apr 2001
SIC 25	<i>Income Taxes: Changes in the Tax Status of an Enterprise or its Shareholders</i>	AC 425 Effective Date: Oct 2000
SIC 27	<i>Evaluating the Substance of Transactions in the Legal Form of a Lease</i>	AC 427 Effective Date: 1/1/2002
SIC 28	<i>Business Combinations – “Date of Exchange and Fair Value of Equity Instruments</i>	AC 428 Effective Date: 1/1/2002
SIC 29	<i>Disclosure – Service Concession Arrangements</i>	AC 429 Effective Date: 1/1/2002
SIC 30	<i>Reporting Currency – Translation from Measurement Currency to Presentation Currency</i>	AC 430 Effective Date: 1/1/2002
SIC 31	<i>Revenue – Barter Transactions Involving Advertising Services</i>	AC 431 Effective Date: 1/1/2002
SIC 32	<i>Intangible assets – web site costs</i>	AC 432 Effective Date: September 2002
SIC 33	<i>Consolidation and Equity Method – Potential Voting Rights and Allocation of Ownership Interest</i>	AC 433 Effective Date: 1/1/2002
None	<i>Preface to Interpretations of Statements of Generally Accepted Accounting Practice</i> ○ There is no international accounting standard	AC 400 Effective Date: July 1999

DRAFT INTERPRETATIONS OF STATEMENTS OF SA GAAP AND THE IAS EQUIVALENT

IAS		SA GAAP
ED SIC 426 Released: Sept 2000 NO FURTHER ACTION	<i>Property, Plant and Equipment – Results of Incidental Operations</i>	SIC D26 Released: Sept 2000
ED-SIC 434 Released: Sept 2001 NO FURTHER ACTION	<i>Financial Instruments – Instruments or Rights Redeemable by the Holder</i>	SIC D34 Effective Date: Sept 2001
IFRIC D1	<i>Emission Rights</i>	ED 162