



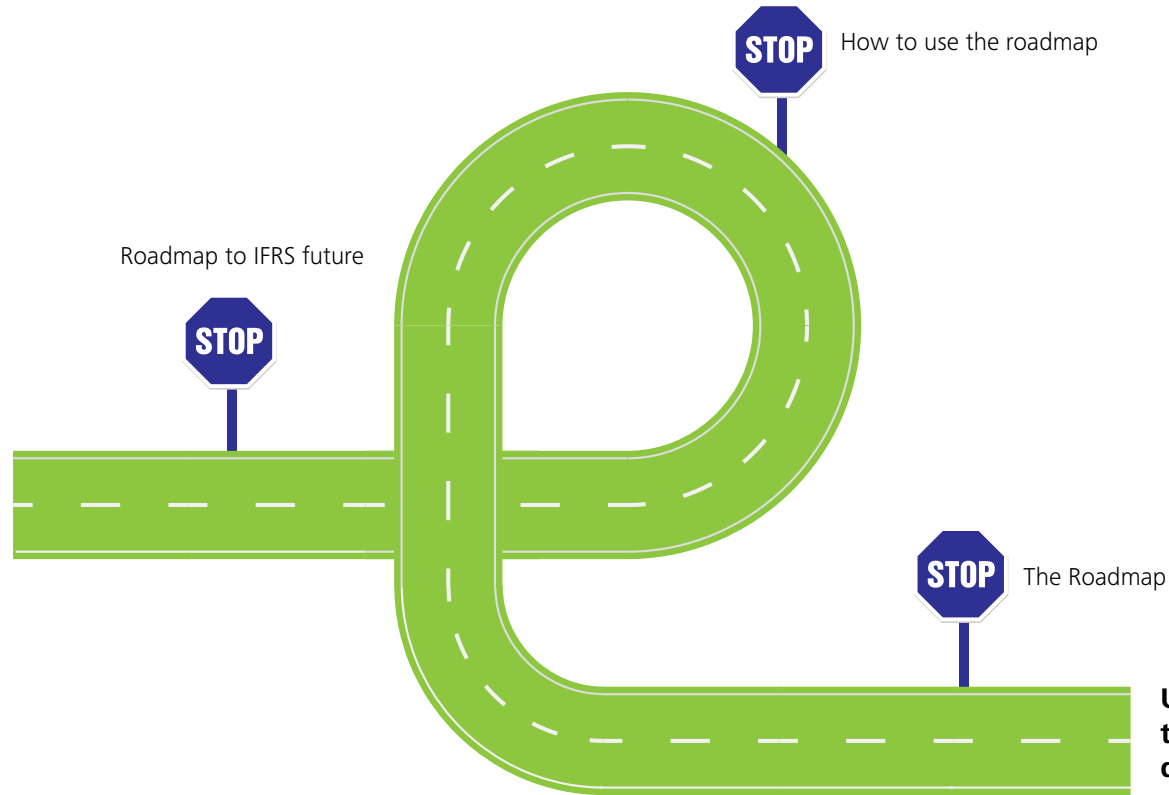
Roadmap to the IFRS Future

Second edition - January 2014



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Roadmap to IFRS future

Welcome to the second edition of the Roadmap to the IFRS future! This edition of the roadmap updates the guidance, tools and content for the standards covered in the first edition. These updates include the latest industry thinking and disclosures. The IFRS 10 route has also been updated to include the investment entity exception to consolidation.

The current financial reporting landscape is changing significantly with the International Accounting Standards Board (IASB) having recently issued several new standards. With each new standard comes new and different considerations and reporting requirements. The implementation of these new standards could have a significant impact on systems and resources.

This roadmap is designed to give entities a guide to the implementation of the new International Financial Reporting Standards (IFRS). It is hoped that this will provide organisations with the tools they need to effectively and efficiently implement the new standards. While every care has been taken in the development of the roadmap and the related tools, Deloitte is not responsible for the implementation of the new standards. That responsibility rests with management and the directors of that entity.

The Deloitte IFRS technical partners who are able to assist with this process are:



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How to use the roadmap

The roadmap is designed to be an interactive route so as to provide you with the information that you need to effectively implement the new IFRS standards. Each of the new and revised standards is reflected by a separate route (coloured line) on the roadmap. Along each route are different numbers. Each number represents a step to be taken in the implementation process. Please place your mouse over the icon to read a summary of that step. Clicking on each icon will take you to the details of that particular step. In addition, all of the information for each new and revised standard as well as additional resources and templates, which can be used for the implementation process can be found by clicking on the text which reads *"refer to.."* which can be found throughout the document, at the relevant steps. This will bring up a panel on the left with all the attachments.

Effective Dates and Transitional Requirements

The following table summarises the effective dates and transitional requirements of each of the new standards:

Standard	Effective Date	Transition Requirements
IAS 19 Employee Benefits	1 January 2013	Retrospective Application
IFRS 10 Consolidated Financial Statements	1 January 2013	Retrospective Application
IFRS 10 Consolidated Financial Statements - Investment Entities	1 January 2014	Retrospective Application
IFRS 11 Joint Arrangements	1 January 2013	Retrospective Application
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013	Retrospective Application
IFRS 13 Fair Value Measurement	1 January 2013	Prospective Application

IAS 19(R) Employee Benefits

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint arrangements

IFRS 12 Disclosure of Interests in other Entities

IFRS 13 Fair Value Measurement

Investment
entity

Consolidation

Financial assets and financial liabilities

Non-financial assets

IAS 19(R) Employee Benefits

1. What is IAS 19(R)?

IAS 19(R) contains the requirements for accounting for employee benefits. Employee benefits are all forms of consideration given by an entity in exchange for service rendered by the employees or for the termination of employment. The most complex of these is the accounting for post-retirement benefit plans where the employer has guaranteed the amount of benefits to be paid out to employees (most often seen in South Africa as defined pension plans). Such plans require actuarial valuations and result in actuarial gains or losses being recognised in the financial statements. There were previously three methods of accounting for such actuarial gains or losses.

The revisions to the standard which were issued in 2011 have eliminated two of these methods and now require that all actuarial gains and losses are recognised in full in other comprehensive income.

In addition, interest is now calculated on a net basis (the defined benefit liability less any plan assets) instead of separately on the defined benefit liability and plan assets.



2. Does the Entity have Defined Benefit Plans?

Assess whether an entity has defined benefit plans. A defined benefit plan is one in which the employer has guaranteed the amount of benefits to be paid out to employees. It is only defined benefit plans which are affected by the amendments to IAS 19, if there are no defined benefit plans, then the rest of the route need not be followed.

3. Assign a Team Leader and Allocate Project Resources

Assign a team leader to head an implementation team tasked with implementing the standard. Allocate the team leader adequate resources in terms of staff, budget and time in order to lead an effective implementation of the new standard. As the project progresses, revise the resource allocation to take into account the results of the implementation process.



4. How are Actuarial Gains and Losses Accounted for?

Prior to the amendments, IAS 19 allowed for three different accounting policies relating to the recognition of actuarial gains and losses on defined benefit plans:

1. Immediate recognition of the full actuarial gain or loss in profit or loss for the period ("immediate P&L method")
2. Immediate recognition of the full actuarial gain or loss in other comprehensive income ("immediate OCI method")
3. Partial recognition of the actuarial gain or loss in profit or loss for the period using the corridor method ("corridor method")

Identify the current policy for the recognition of actuarial gains and losses to determine whether the amendments to IAS 19 will result in a change to the recognition of actuarial gains and losses.

5. Is the Current Policy in Line with IAS 19(R)?

Post amendment, IAS 19(R) requires that all actuarial gains and losses are recognised in full in other comprehensive income. The interest recognised is now calculated on the net defined liability and not separately on deferred benefit liabilities and plan assets.

If the immediate P&L method or corridor method are being used, then follow the remaining steps in the roadmap. If the immediate OCI method is being used, skip steps 7 to 11. Follow and steps 6 and then 12 to 14.



6. Obtain Information

Obtain the total actuarial gains and losses for the current and previous three years, as well as the information to complete the additional disclosure in step 12 in order to adopt the amendments retrospectively. This information can be obtained from either previous financial statements or from the actuarial valuations performed.

7. Does the System Need to be Updated?

Assess the systems impact. Update the system to reflect the new accounting treatment for employee benefits.

8. Consider Impact on Financial Statements

Perform a high level impact on the financial statements as the change from the immediate P&L method or the corridor method to the immediate OCI method could have a significant impact on the company's financial statements. A template is attached which can be used for performing this assessment.

(Refer to IAS 19 impact analysis spreadsheet)



9. Consider Impact on Profit Sharing Agreements, Ratios, Covenants and Employee Benefits

Once the high level impact analysis has been performed, assess the potential impact on the following areas:

Area	Consideration
Profit Sharing Agreement	Profit sharing agreements may be impacted by the new accounting treatment
Ratios	The following commonly used ratios may be impacted: <ul style="list-style-type: none">• Dividend Yield• Gross Profit Percentage• Net Profit Percentage• Return on Assets• Debt/Equity
Covenants	As a result of the changes to the ratios, debt covenants may be impacted. Consideration will need to be given to potential re-negotiation of debt covenants.
Employee Benefits	Certain aspects of employee remuneration and benefits may be dependent on a certain item within the financial statements, for example revenue or profit. The implementation of IAS 19 (R) may change these items and so employee benefit structures may need to be revised.

10. Communicate Impact of Change

Consider communication with the following parties:

1. Board members
2. Lenders
3. Investors
4. Analysts
5. External auditors
6. Other interested parties



11. Process Journal Entries

Process journal entries to account for adjustments, as may be necessary, to reflect amendments of IAS 19(R) in the financial statements.

12. Update Financial Statement Presentation

Update the financial statements for the new IAS 19(R) disclosure requirements. Attached is model disclosure for the annual financial statements and a template for the reporting pack reporting pack which can be used as guidance for the disclosure which needs to be provided.

(Refer to IAS 19 model disclosure and template reporting pack)

IAS 19(R) requires the following presentation of each of the components of the defined benefit plan in the statement of financial performance:

Component	Detail	Presentation
Service cost	Cost of employee benefit arising from employee service in the current period.	Operating expenses
Interest cost	Interest on the net defined liability	Finance costs
Residual return on plan assets	Excess of expected return on plan assets over interest rate	Other comprehensive income
Actuarial gains and losses	Changes in actuarial assumptions and experience adjustments	Other comprehensive income

One of the common pitfalls in applying the standard is the discount rate:

Common Pitfall	Correct Treatment
Discount Rate	In the South African environment, the government bond rate should be used to as the discount rate for defined benefit obligations.

13. Perform Dry Run of Financial Statements

Perform a dry run of the financial statements to ensure that the IAS 19(R) disclosure requirements have been met.



14. Consultation with IFRS Technical Experts

The team leader and project team need to have a good understanding of the standard which they will be responsible for implementing and the possible impacts on the organisation. To achieve this, consultation with IFRS technical experts may be required. The Deloitte IFRS technical partners who are able to assist with this process are as follows:



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IFRS 10 Consolidated Financial Statements

1. What is IFRS 10?

IFRS 10 is the new standard which provides guidance on when a subsidiary should be consolidated. IFRS 10 builds on the existing control guidance in IAS 27 and SIC 12, adding additional context, explanation and application guidance that is consistent with the definition of control. IFRS 10 requires an assessment of whether the parent has the power to direct the relevant activities of an entity so as to obtain returns. These entities are then consolidated by the parent. Once it has been determined under IFRS 10 that an entity should be consolidated, the actual mechanics of the consolidation remain the same as under IAS 27.

IFRS 10 provides two models for accounting for subsidiaries:

- 1 The consolidation model - Once it has been determined under IFRS 10 that an entity should be consolidated, the actual mechanics of the consolidation remain the same as under IAS 27.
- 2 Fair valuation model by investment entities - IFRS 10 mandates investment entities to account for certain subsidiaries at fair value through profit or loss instead of by consolidation. IFRS 10 sets out the criteria which must be met in order for an entity to be classified as an investment entity.



2. Does the entity hold investments in other entities that it may have control over?

Assess whether an entity has investments in other entities that it controls.

An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Should an entity hold no investments in other entities then the rest of route need not be followed.



3. Assign a Team Leader and Allocate Project Resources

Assign a team leader to head an implementation team tasked with implementing the standard. Allocate the team leader adequate resources in terms of staff, budget and time in order to lead an effective implementation of the new standard. As the project progresses, revise the resource allocation to take into account the results of the implementation process.

4. Identify Potential Subsidiaries

A subsidiary is an entity which is controlled by the investor. Sometimes, the determination as to who controls an entity will be very straightforward; it may be clear that control over the investee is exercised by means of equity instruments (e.g. ordinary shares) that give the holder proportionate voting rights. In clear-cut situations, an investor that holds a majority of those voting rights, in the absence of any other factors, controls the investee.

For more complex scenarios, more judgement may be required. IFRS 10 states that an investor controls the subsidiary if it has all of the following:

- Power over the investee;
- Exposure, or rights, to variable returns (returns are interpreted broadly to include synergistic as well as more direct returns) from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

Identify all potential subsidiaries. This will involve a combination of assessing voting rights held in subsidiaries and where there is power to direct the relevant activities of another entity.

Create or review a register of all investments. As well as achieving good corporate governance, this will allow for potential subsidiaries to be identified. An example of an investments register is provided.

(Refer to the register of investments spreadsheet)

Identify, in addition to the above, other contracts and structures which need to be considered and could result in additional subsidiaries.

This will involve the following:

- Identification of the relevant activities of the investee;
- Consideration of how decisions regarding the relevant activities are made; and
- Whether the investor's rights give it the current ability to direct the relevant activities.

The determination as to whether the investor's rights give it the current ability to direct the relevant activities focuses on:

- The ability to direct rather than the actual exercise of power;
- Various rights that give an investor power over an investee;
- Evidence to be considered when it is difficult to determine whether the investor's rights are sufficient to give it power;
- The nature of 'substantive' rights (the rights that will determine whether an entity has power) and 'protective' rights (in themselves not sufficient to result in power over an investee);
- When the relevant activities are directed through voting rights, including consideration of circumstances when majority voting rights are not necessary to direct the relevant activities; and
- When voting or similar rights do not have a significant effect on the investee's returns.

Assess the impact of the new standard on the consolidation decisions made, by asking a number of important questions. The following list includes some of the questions to consider, but is not exhaustive. This is because the standard requires analysis of all facts and circumstances together with the application of significant judgement in the consolidation assessment.

Person	Question
Company secretary and senior management	Do we hold between 35% - 49% of the voting rights in another company but have not previously consolidated them?
Directors	Do the voting patterns at previous AGMs indicate that the other shareholders are passive in nature?
Directors and senior management	Is there a special agreement in place, contractual or otherwise, with other shareholders of the investee, which allows us to appoint or approve the investee's key management personnel who have the ability to direct the relevant activities?
Directors and senior management	Can we, with or without having the contractual right to do so, direct the investee to enter into, or veto any changes to, significant transactions for the benefit of the investor?
Reason	<p>The concept of de facto control provides that an investor with less than a majority of the voting rights could have sufficient power when the investor has the practical ability to direct the relevant activities unilaterally.</p> <p>All facts and circumstances are considered, including the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders, noting that it is more likely to have the current ability to direct the relevant activities when:</p> <ul style="list-style-type: none"> (i) the investor holds significant voting rights; (ii) the investor holds more voting rights relative to other investors; (iii) the more parties that would need to act together to outvote the investor.
Company secretary, directors and/or senior management	Do we hold any potential ordinary shares (e.g. options) in an investee?
Reason	<p>When assessing control, an investor considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has power. Potential voting rights are rights to obtain voting rights of an investee, such as those arising from convertible instruments or options, including forward contracts. Those potential voting rights are considered only if the rights are substantive. IAS 27 (2008) required voting rights to be currently exercisable in order to be considered in making a consolidation assessment. In some cases currently exercisable potential voting rights might not be considered substantive and vice versa, thereby potentially changing the consolidation decision.</p> <p>For a right to be substantive, the holder must have the practical ability to exercise that right. Determining whether rights are substantive requires judgement, taking into account all facts and circumstances</p>
Director or senior management	Do we have any insurance cell captives?
Reason	<p>An investor is required to consider whether it should regard a portion of an investee as a deemed separate entity and, if so, whether it controls the deemed separate entity.</p> <p>An investor shall treat a portion of an investee as a deemed separate entity if and only if the following condition is satisfied: Specified assets of the investee (and related credit enhancements, if any) are the only source of payment for specified liabilities of, or specified other interests in, the investee. In substance, all the assets, liabilities and equity of that deemed separate entity is ring-fenced from the overall investee. Such a deemed separate entity is often called a 'silo'.</p> <p>In almost all circumstances, where an entity has an insurance cell captive, such cell captive will constitute a deemed separate entity and will be consolidated by the entity.</p>
Directors, senior management, legal counsel and procurement personnel	Have you considered whether, based on all facts and circumstances, you might control any of your suppliers, customers of parties to whom you have extended significant financing?
Senior management personnel and directors	Are there any structured entities with which the company has a relationship, and the entity is designed so that voting or similar rights are not the dominant factor in deciding who controls the entity?

5. Assess control

Once all potential subsidiaries have been identified, assess which subsidiaries are controlled by the investor. An investor controls an investee if the investor has all the following:

- a. power over the investee;
- b. exposure, or rights, to variable returns from its involvement with the investee; and
- c. the ability to use its power over the investee to affect the amount of the investor's returns.

These will be the following:

- Entities where the investor holds the majority of the voting rights in the subsidiaries, unless there is contractual arrangement or legislation which does not result in control. These should be the same as the subsidiaries which were consolidated under IAS 27.
- Entities where the investor does not hold a majority of voting rights but through a contractual agreement or regulation is entitled to exercise a majority of voting rights over the investee. These should be the same as the subsidiaries which were consolidated under IAS 27.
- Entities in which the investor holds between 35% and 49% of the voting rights of the investee and based on the relative size of the investor's voting rights compared to other investees, the investor has control. These entities may previously have been accounted for as associates but now, as a result of the introduction of the concept of de facto control under IFRS 10, these entities may need to be consolidated. De facto control is where the investor controls the investee based on the size of the voting rights that it holds compared to other shareholders and whether those shareholders are likely to collaborate in order to outvote the investor. This is particularly relevant for listed associates where there are many other shareholders who are unlikely to act together to out vote the investor.
- Other structure entities where the investor has the power to direct the relevant activities, including but not limited to, securitisation vehicles.

In assessing control over structured entities additional judgement may be needed in order to determine whether these entities may be consolidated. These entities may be Black Economic Empowerment entities and cell captives or silo's.

Structured entity	Consideration
Black Economic Empowerment (BEE) entities	Due to the complexity surrounding the structure of many BEE schemes, additional judgement and consideration is needed to assess whether BEE entities meet the definition of control under IFRS 10. Entities may consider engaging with us to understand the reporting impact of these arrangements (step 18).
Cell Captives or Silo's	<p>An investor is required to consider whether it should regard a portion of an investee as a deemed separate entity and, if so, whether it controls the deemed separate entity.</p> <p>An investor shall treat a portion of an investee as a deemed separate entity if the following conditions are satisfied:</p> <ul style="list-style-type: none"> a) Specified assets of the investee are the only source of payment for the specified liabilities in the investee; b) Parties other than those with the specified liability do not have rights or obligations related to the specified assets or residual cash flows from the assets; and c) None of the returns from the specified assets can be used by the remaining investee and none of the liabilities of the deemed separate entity are payable from the remaining investee. <p>In substance, all the assets, liabilities and equity of that deemed separate entity is ring-fenced from the overall investee. Such a deemed separate entity is often called a 'silo'.</p> <p>Judgement will need to be applied to determine if the criteria above have been met to determine if the cell captive should be consolidated.</p>

6. Application of new standard

When a new/revised standard is adopted, International Accounting Standard 8 – Accounting Policies, change in accounting estimates and errors requires you to retrospectively apply the changes as set forth within that standard.

This is achieved by providing additional comparative information, within the statement of financial position, for the opening balances of the prior period presented. For e.g. the year-end of Entity X is 31 December 2013. Entity X would need to present a third set of comparatives for 01 January 2012.

However you will not be required to provide an additional comparative within the notes to the financial statements.

7. Consider whether the investment entity exception is applicable

Assess whether an entity is an investment entity. This will enable the entity to account for certain of its subsidiaries at fair value. In performing this assessment, consider all facts and circumstances, including its purpose and design.

An investment entity is defined under IFRS 10 as an entity that:

- Obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measures and evaluates the performance of substantially all of its investments on a fair value basis.

In order to be defined as an investment entity, the above criteria must be met.

To further understand the criteria above the following questions need to be considered.

To further understand the investment entity criteria the following questions need to be considered.

Person	Question
Company secretary	Has the entity obtained funds from one or more investors for the purpose of providing those investors with investment management services?
Reason	Typically, the investors will have pooled their funds to gain access to investment management services and the investment opportunities that they might not have had access to individually.
Directors and senior management	<p>What is the business purpose of investment entity?</p> <p>a) To understand the investment objectives of a business perform a review the offering memorandum and publications provided to the investors to understand the business purpose of that entity. Evidence may also include the manner in which the entity presents itself to other parties for example it may present itself as a business providing investments for capital appreciation in the medium term.</p> <p>b) A differentiating factor of an investment entity is that it does not plan to hold its investments indefinitely. An investment entity's plans should therefore include an exit strategy documenting how the entity plans to realise the capital appreciation from substantially all of its equity investments and non-financial asset investments. This is usually done on a portfolio basis instead of an investment by investment basis and should include a time frame.</p> <p>c) If the investor (or another entity in its group) is benefiting from the investment (or has the objective of benefiting) in a manner that is not available to other parties such as use of processes, assets or technology of an investee then the entity is not investing solely for capital appreciation, investment income or both.</p>
Directors and senior management	<p>a) Is the investment measured and evaluated on a fair value basis because it provides more relevant information and is this information readily available when required?</p> <p>In order to meet this requirement an investment entity should select a fair value accounting policy whenever it is permitted to do so under IFRS. For example investment property should be accounted for at fair value, associates and joint ventures should be exempted from the equity accounting and financial assets should be accounted for at fair value.</p> <p>Note: An investment entity may have some assets or liabilities that are non-investment assets such as a head office property which can be measured at cost because they are non-investment assets.</p> <p>b) Does the entity report fair value information to the entity's key management personnel who use the information to evaluate the performance of the investment and make investment decisions?</p>

Typical characteristics of an investment entity

In addition to the above, consider if the entity has the set of typical characteristics of an investment entity. These characteristics, combined with the definition above, are intended to allow for an appropriate balance between creating a clear scope and allowing judgment in assessing whether an entity is an investment entity.

These typical characteristics are as outlined below:

Characteristic	Explanation
The entity has more than one investment	An investment entity typically holds several investments to diversify its risk and maximize its returns.
The entity has more than one investor	An investment entity would usually have several investors who pool their funds to gain access to investment management services and investment opportunities that they might not have had access to individually.
The entity has investors that are not related parties of the entity	Having unrelated investors would make it less likely that the entity or other members of the group containing the entity would obtain the benefits other than capital appreciation or investment income.
The entity has ownership interests in the form of equity or similar interests	An investment entity is typically, but is not required to be separate legal entity. Ownership usually takes the form of equity or similar interests.

Investment entity route

8. Measure investments in subsidiaries at fair value

Measure all investments in subsidiaries at fair value through profit or loss.

An essential element of the definition of an investment entity is that it measures and evaluates the performance of substantially all of its investments on a fair value basis.

Refer to the IFRS 13 route for guidance the measurement and disclosure of fair value.

9. Exceptions to fair value measurement

Consider whether the exceptions to fair value measurement of subsidiaries are applicable:

- An investee that provides services that relate only to the investment entity's own investment activities, for example a management company, should be consolidated and not accounted for at fair value.
- A parent of an investment entity is required to consolidate all entities that it controls, including those controlled through an investment entity, unless the parent itself is an investment entity.

If this is the case, the consolidation route for consolidation of these subsidiaries should be followed.

Consolidation route

8. Different to Before

Assess whether there are additional subsidiaries to those which were identified and consolidated under IAS 27. If there is no change from before in the subsidiaries which need to be consolidated, then skip steps 9 to 15 and the next step is step 16.

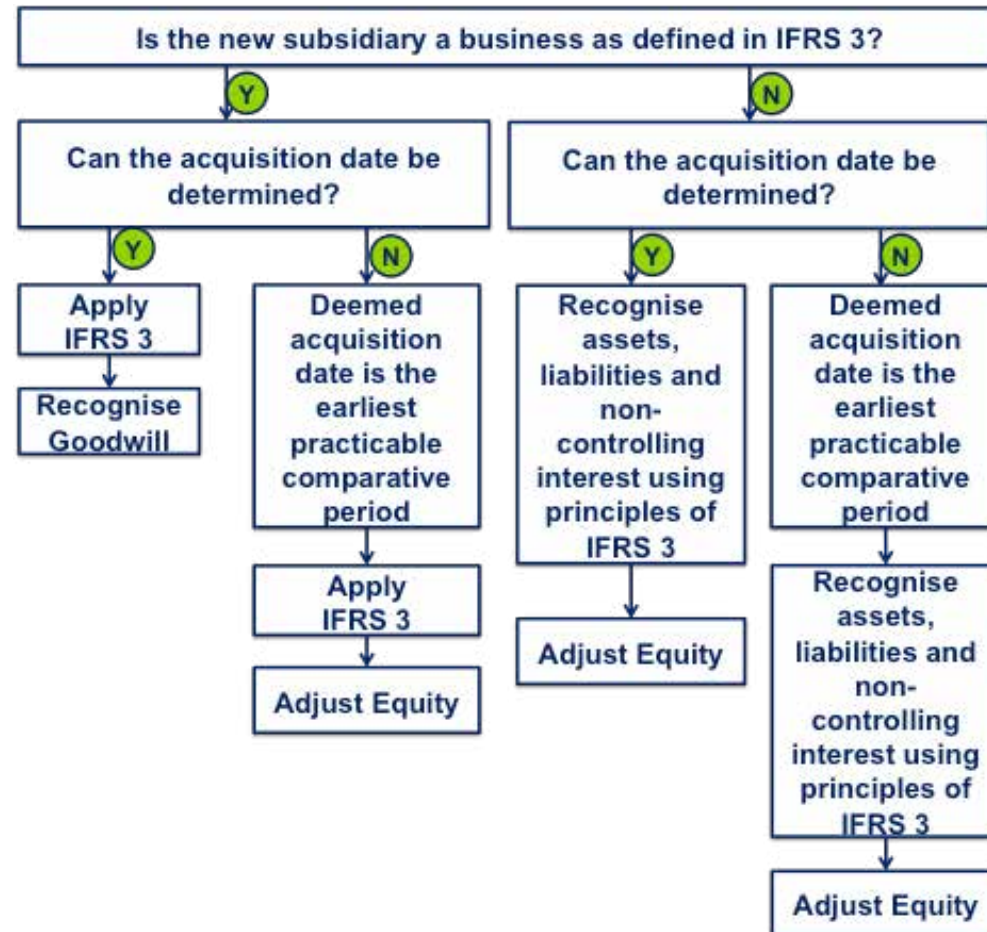


9. New Subsidiaries

For additional subsidiaries which have been identified which were previously not consolidated by the investor, follow a process to determine the following:

- Whether the investee is a business as defined in IFRS 3. IFRS 3 defines a business as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants.
- The acquisition date of the subsidiary. This is the date when the investor obtains control of the investee in accordance with IFRS 10. It may be impracticable to determine when that date was, in which case the acquisition date is deemed to be the beginning of the earliest comparative period when IFRS 3 can be applied.

The following decision tree can be used for the consolidation of newly identified subsidiaries:



A valuation expert may be needed to assist with the purchase price allocation required by IFRS 3. Deloitte Corporate Finance can assist with this process:



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A question arises as to which version of IFRS 3 should be used to perform the business combination. If the date that control was obtained, as determined in terms of IFRS 10, is after 1 July 2009 then IFRS 3 (2008) should be applied. If the date that control was obtained is earlier than 1 July 2009 then either IFRS 3 (2008) or IFRS 3 (2004) may be applied.

Acquire additional information in order to comply with the requirements of IAS 1. IFRS 10 is to be applied retrospectively and so obtain sufficient information to present the three statements of financial position and related notes as required by IFRS 10.

10. Subsidiary Reporting

The process followed in steps 4 and 5 may result in the identification of additional subsidiaries, particularly as a result of de facto control. Communicate with these additional subsidiaries to inform them that they are now subsidiaries of the investor and that they will need to report to the investor for the purposes of preparing the investor's consolidated financial statements.

Consider the following areas for the new subsidiary reporting:

- Providing the subsidiary with instructions and resources to complete a financial reporting package in the manner required by the investor;
- Communicating reporting deadlines with the subsidiary management;
- Assessing the financial reporting framework used by the subsidiary and determining whether any changes are needed so that the amounts reported by the subsidiary are in line with IFRS; and
- Assessing the subsidiary's accounting policies and determining whether any changes need to be made to the subsidiary accounting policies to bring them in line with the group accounting policies.

Consolidation and investment entity routes

11. Does the Consolidation System Need to be Updated?

Update the consolidation system to reflect the new accounting treatment for the subsidiaries.

12. Consider Impact on Financial Statements

Perform a high level impact of IFRS 10 on the financial statements.

Refer to *(IFRS 10 impact analysis spreadsheet 5)* for the consolidation impact and *(IFRS 10 impact analysis spreadsheet 5A)* for the investment entities impact.

13. Impact on Profit Sharing Agreements, Ratios, Covenants and Employee Benefits

Once the high level impact analysis has been performed, assess the potential impact on the following areas:

Area	Consideration
Profit Sharing Agreement	Profit sharing agreements may be impacted by the new accounting treatment.
Ratios	The following commonly used ratios may be impacted: <ul style="list-style-type: none">• Dividend Yield• Gross Profit Percentage• Net Profit Percentage• Return on Assets• Debt/Equity
Covenants	As a result of the changes to the ratios, debt covenants may be impacted. Consideration will need to be given to potential re-negotiation of debt covenants.
Employee Benefits	Certain aspects of employee remuneration and benefits may be dependent on a certain item within the financial statements, for example revenue. The implementation of IFRS 10 may change these items and so employee benefit structures may need to be revised.

14. Communication

Once the high level impact analysis has been performed, assess the potential impact on the following areas:

Communication should be held with the following parties:

1. Board members
2. Lenders
3. Investors
4. Analysts
5. External auditors
6. Other interested parties



15. Process Journal Entries

Process the consolidation journal entries for the subsidiary.



16. IFRS 12 Disclosure

Assess the disclosure requirements of IFRS 12 for subsidiaries. Refer to the IFRS 12 route for the implementation process to follow in order to obtain the required disclosure for subsidiaries.

17. Perform Dry Run of Financial Statements

Perform a dry run of the financial statements to ensure that the new subsidiaries are being correctly reflected in the consolidated financial statements.



18. Consultation with IFRS Technical Experts

The team leader and project team need to have a good understanding of the standard which they will be responsible for implementing and the possible impacts on the organisation. To achieve this, consultation with IFRS technical experts may be required. The Deloitte IFRS technical partners who are able to assist with this process are as follows:



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IFRS 11 Joint Arrangements

1. What is IFRS 11?

IFRS 11 is the new standard on joint arrangements which replaces IAS 31 Joint Ventures. A joint arrangement is an investment in which two or more investors are contractually required to agree unanimously as to how the operations and financing of the investee should be run. Where joint control exists, the investor is required to assess whether the joint arrangement is a joint operation or a joint venture, based on the legal structure of the investee and the investor's rights to and obligations for the underlying assets and liabilities of the investee. Joint operations are accounted for in the financial statements of the investor by including the investor's share of the assets, liabilities, income and expenses of the investee in the investor's financial statements while joint ventures are accounted for using the equity method of accounting.

2. Does the Entity Have Joint Arrangements?

Read contracts to identify joint arrangements. If the contract requires that the entity, along with another investor(s) must agree on the operating and financing activities of an investee, then that investee is a joint arrangement.

The terms in which the parties participate in the joint activity are set out in a contract.

Usually the contract arrangement will deal with the following matters:

- The purpose, activity and the duration of the joint arrangement;
- How the members of the joint arrangement's governing body (the board of directors, or equivalent) are appointed;
- The decision making process: the matters that require decisions from the parties, the voting rights of the parties and the required level of support for those matters;
- The required capital or contributions to be provided by the parties; and
- How the assets, liabilities, revenue, expenses or profit or loss of the joint arrangement are to be shared between the parties.

3. Assign a Team Leader and Allocate Project Resources

Assign a team leader to head an implementation team tasked with implementing the standard. Allocate the team leader adequate resources in terms of staff, budget and time in order to lead an effective implementation of the new standard. As the project progresses, revise the resource allocation to take into account the results of the implementation process.



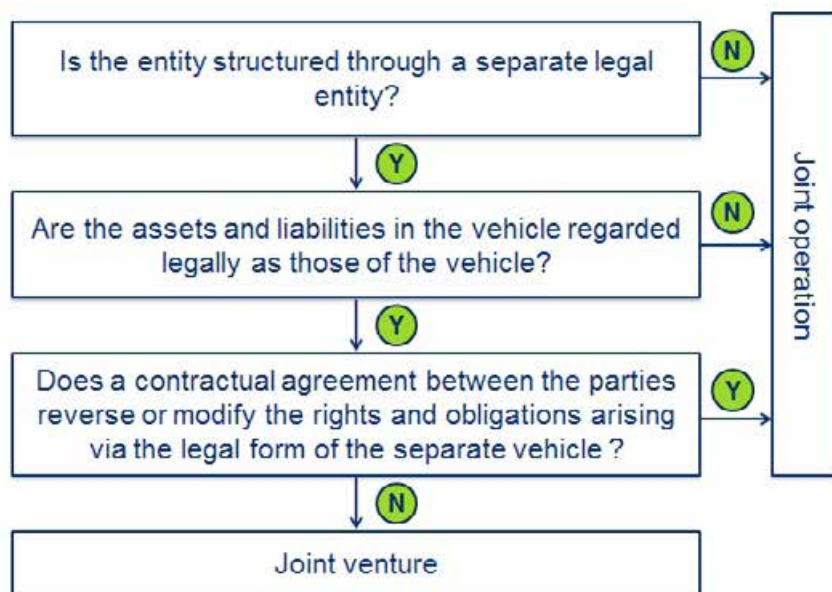
4. What Type of Joint Arrangement Does the Entity Have?

Once all joint arrangements have been identified in step 2, classify the joint arrangements as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the assets and obligations for the liabilities relating to the joint arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the arrangement.

The following decision tree can be used to classify joint arrangements as either joint operations or joint ventures:



First assess whether the joint arrangement is structured through a separate vehicle. If the joint arrangement is not structured through a separate vehicle then the joint arrangement is classified as a joint operation.

If the joint arrangement is structured through a separate vehicle then assess the investor's rights to the assets and obligations for the liabilities within that vehicle. If there is no separation between the vehicle and the investor, then the joint arrangement is classified as a joint operation.

Similarly, if there is a contractual arrangement which modifies or reverses the rights and obligations which the investor has with respect to the vehicle such that any legal separation between the vehicle and the investor is removed, the joint arrangement is classified as a joint operation.

In determining whether a contractual arrangement between the parties modifies the rights and obligations, assess whether substantially all of the output is taken up by the joint venturers. If this is the case then the arrangement may be classified as a joint operation. The interpretation of IFRS 11 in this area is complex and entities may consider engaging with us to understand the reporting impact of these arrangements (step 15).

Consider other facts and circumstances that may impact on the classification. If there are none, then the joint operation should be classified as a joint venture.

(Refer to the joint arrangements classification template which will assist in classifying the joint arrangements)

5. How are Joint Arrangements Accounted for?

A joint venture is equity accounted in the same way as associates. Some joint ventures may have been accounted for in this way under IAS 31, depending on the accounting policy choice of the entity.

A joint operation is accounted for by consolidating the joint venturer's share of the assets, liabilities, income and expenses of the joint operation in a similar way to proportionate consolidation.



6. Is the Accounting Treatment Different to that Under IAS 31?

Once joint arrangements have been classified as either joint operations or joint ventures in the previous step, assess whether the classification will result in a different accounting treatment compared to how the joint venture was accounted for under IAS 31.

For example, a joint venture in a separate company which was equity accounted under IAS 31 should result in classification as a joint venture under IFRS 11 which is equity accounted. If there is no change in the method used to account for the joint arrangement, then skip steps 7 to 12 and the next step is step 13.

7. Do Contracts Need to Be Re-Negotiated?

Consider re-negotiating contracts if a different joint arrangement accounting is wanted to the results of step 4 or 5.



8. Does the Consolidation System Need to be Updated?

If the classification of the joint arrangements under step 4 results in a different accounting treatment to what was previously applied, then assess whether more information is required in order to apply the new accounting treatment.

This will be particularly relevant for joint arrangements which were previously equity accounted, but for which the investor will now account for its share of the assets, liabilities, income and expenses of the joint operation.

Therefore the impact of the above change in classification is highlighted below:

Financial Statement Impact	Consolidation System Impact	Reporting Pack Impact
As IFRS 11 is required to be applied retrospectively, IAS 1 requires the presentation of three statements of financial position and related notes. Obtain the information in order to present this additional comparative information	Assess the systems impact. The biggest impact is expected to be on the consolidation system. Update the consolidation system to reflect the new accounting treatment for the joint arrangement. However, most consolidation systems will already have a built in capability for equity accounting or accounting for the investor's share of the assets, liabilities, income and expenses of the investee. Therefore, simply update the classification within the system.	Update the reporting pack format of the joint arrangements to reflect the new information required by IFRS 11, as well as, the additional information required by IFRS 12. Refer to the IFRS 12 route for the disclosure requirements. <i>(Refer to the consolidation reporting pack)</i>

9. Consider Impact on Financial Statements

Perform a high level impact analysis on the financial statements, once the information has been obtained to account for the joint operations. Assess how the statement of financial performance and statement of financial position will differ under the requirements of IFRS 11 compared to under IAS 31. The attached impact analysis tool can be used to perform this analysis.

(Refer IFRS 11 – impact analysis spreadsheet)

It is important to note that IFRS 11 will not only impact the consolidated financial statements but also the separate financial statements should the joint arrangement be classified as a joint operation, as the investor's share of the assets, liabilities, income and expenses are accounted for in the investor's individual financial statements.

10. Consider Impact on Profit Sharing Agreements, Ratios, Covenants and Employee Benefits

Once the high level impact analysis has been performed, assess the potential impact on the following areas:

Area	Consideration
Profit Sharing Agreement	Profit sharing agreements may be impacted by the new accounting treatment.
Ratios	The following commonly used ratios may be impacted: <ul style="list-style-type: none">• Dividend Yield• Gross Profit Percentage• Net Profit Percentage• Return on Assets• Debt/Equity
Covenants	As a result of the changes to the ratios, debt covenants may be impacted. Consideration will need to be given to potential re-negotiation of debt covenants.
Employee Benefits	Certain aspects of employee remuneration and benefits may be dependent on a certain item within the financial statements, for example revenue or profit. The implementation of IFRS 11 may change these items and so employee benefit structures may need to be revised.

11. Communication

Consider communication with the following parties:

1. Board members
2. Lenders
3. Investors
4. Analysts
5. External auditors
6. Other interested parties



12. Process Journal Entries

Process the journal entries required to equity account or account of the investor's share of assets, liabilities, income and expenses.



13. IFRS 12 Disclosure

Assess the disclosure requirements of IFRS 12 for joint arrangements. Refer to the IFRS 12 route for the implementation process to follow in order to obtain the required disclosure for joint arrangements.

14. Perform Dry Run of Financial Statements

Perform a dry run of the financial statements to check that the joint arrangements are being correctly reflected in the financial statements.

15. Consultation with IFRS Technical Experts

The team leader and project team need to have a good understanding of the standard which they will be responsible for implementing and the possible impacts on the organisation. To achieve this, consultation with IFRS technical experts may be required. The Deloitte IFRS technical partners who are able to assist with this process are as follows:



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IFRS 12 Disclosure of Interests in Other Entities

1. What is IFRS 12?

IFRS 12 is the new standard which contains the disclosure requirements for interests that an entity holds in subsidiaries, joint arrangements, associates and unconsolidated structured entities.



2. Does the entity have interests in other entities?

Assess whether the entity has investments in the following:

Subsidiary	An entity that is controlled by another entity (refer to the IFRS 10 route).
Joint Arrangement	An arrangement of which two or more parties have joint control (refer to the IFRS 11 route).
Associate	An entity over which the investor has significant influence.
Unconsolidated Structured Entity	<p>A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.</p> <p>If an entity does not meet the requirements in the IFRS 10 route for consolidation then the entity would be considered to be an unconsolidated structured entity.</p>

IFRS 12 applies to an entity's separate financial statements where the entity has investments in unconsolidated structured entities and does not present consolidated financial statements.

IFRS 12 does not apply to:

- Post-employment benefit plans which IAS 19 applies to;
- Interests in a joint arrangement which do not give the entity joint control unless the interest results in significant influence or is an interest in a structured entity; and
- Interests accounted for in accordance with IFRS 9 (IAS 39) unless the interest is one in a joint arrangement or associate which is accounted for at fair value or is an interest in a structured entity.

Structured entities often have some or all of the following characteristics:

- Restricted activities;
- A narrow and well-defined objective, for example to carry out research and development, provide financing or for investment purposes;
- Insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and
- Financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks.

Examples of structured entities include securitisation vehicles, asset-backed financings and some investment funds.

If the entity does not have an interest in any of the above structures the rest of the route need not be followed.

3. Assign a Team Leader and Allocate Project Resources

Assign a team leader within the organisation to head an implementation team tasked with implementing the standard. Allocate the team leader adequate resources in terms of staff, budget and time in order to lead an effective implementation of the new standard. As the project progresses, revise the resource allocation to take into account the results of the implementation process.

4. Collect Information

Collect the detailed information for the disclosures to be made in the financial statements. As IFRS 12 is required to be adopted retrospectively, obtain sufficient information for the requirement to present three comparative statements of financial position and related notes.

IFRS 12 requires disclosure of the following information:

- Significant judgements and assumptions in assessing whether an investment in an entity is a subsidiary, associate, joint arrangement or unconsolidated structured entity.
 - Subsidiaries:
 - Sufficient information to understand the composition of the group.
 - Non-controlling interest share in the group's activities and cash flows.
 - Restrictions on the ability of the subsidiary to transfer cash or assets to other entities within the group.
 - Nature of risks associated with the entities.
 - Consequences of changes in ownership that do not result in a loss of control and changes in ownership interest that do result in a loss of ownership control.
 - For each subsidiary with a material non-controlling interest:
 - Name of the subsidiary.
 - Principal place of business and country of incorporation (if different).
 - Proportion of voting rights held by non-controlling interests.
 - Profit or loss allocated to non-controlling interests during the period.
 - Accumulated non-controlling interests at the end of the reporting period.
 - Summarised financial information of the subsidiary.
 - Financial support provided to subsidiaries.
- The disclosure for subsidiaries is also required for subsidiaries of investment entities.
- Joint arrangements and associates:
 - The nature, extent, risks and financial effects of interests in joint ventures and associates.
 - Any changes in the nature, extent, risks and financial effects of interests in joint ventures and associates.

- For each material joint venture or associate:
 - Name of the associate or joint venture.
 - Nature of the reporting entity's relationship with the associate or joint venture.
 - Principal place of business and country of incorporation (if different).
 - Proportion of ownership interest.
 - Whether the interest in the joint venture or associate is accounted for at fair value or using the equity method (if it is accounted for using the equity method and there is a quoted market price, the fair value also needs to be disclosed).
 - Summarised financial information.
 - Restrictions on the associate or joint venture to transfer funds to the reporting entity.
 - Details of where the reporting date of the associate or joint venture is different to that of the reporting entity.
 - Commitments that the reporting entity has in relation to the associate or joint venture.
 - The reporting entity's share of the associate or joint venture's contingent liabilities.
- Unconsolidated structured entities:
 - Nature, extent, risks and financial effects of interests in unconsolidated structured entities.
 - Carrying amount of assets and liabilities relating to interests in unconsolidated structured entities and the line items where these are included.
 - Reporting entity's maximum exposure to loss in relation to the unconsolidated structured entity.
 - Financial support provided.

Step 6 provides model disclosure which can be used for a financial reporting package and for financial statements.

5. Aggregation

Present information separately for interests in subsidiaries, joint ventures, joint operations, associates and unconsolidated structured entities.

IFRS 12 does allow for the aggregation of disclosure. However, disclosure should be aggregated or disaggregated in such a way so as to ensure that useful information is not obscured.

Provide disclosure in the financial statements as to how interests in similar entities have been aggregated.

6. Model disclosure

Please refer to the attached model disclosure for IFRS 12, for both a financial reporting package and financial statements.

The attached model disclosure is based on normal consolidation procedures, the disclosure for investment entities may differ from the attached model disclosure.

(Refer consolidation reporting pack and model financial statements)

7. Perform Dry Run of Financial Statements

Perform a dry run of the financial statements to ensure that interests in other entities are correctly reflected and appropriately disclosed in the consolidated financial statements.

8. Consultation with IFRS Technical Experts

The team leader and project team need to have a good understanding of the standard which they will be responsible for implementing and the possible impacts on the organisation. To achieve this, consultation with IFRS technical experts may be required. The Deloitte IFRS technical partners who are able to assist with this process are as follows:



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IFRS 13 Fair Value

1. What is IFRS 13?

IFRS 13 provides guidance on how to measure the fair value of financial assets, financial liabilities, equity instruments and non-financial assets. IFRS 13 does not specify when fair value should be used.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is therefore a market based measure of the financial asset, financial liability or non-financial asset. Fair value is also an exit measure (ie the price to sell an asset or transfer a liability) rather than an entry based measure (ie the price to buy an asset or incur a liability).

IFRS 13 is effective for all annual periods beginning on or after 01 January 2013 and the requirements of the standard are to be prospectively applied.

2. Does the entity have assets or liabilities measured at fair value?

Assess assets and liabilities to determine if they fall within the scope of IFRS 13. Only those assets and liabilities which are measured at fair value which are affected by the measurement and disclosure requirements of the standard. The following table can be used to assess the scope of IFRS 13:

Fair value measurement	Measured under IFRS 13	Disclosure under IFRS 13
Share-based payment	N	N
Business combination	Y	Y
Fair value less costs to sell (IFRS 5, IAS 36)	Y	N
Net realisable value and value-in-use	N	N
Leases	N	N
Revaluation model in PPE	Y	Y
Financial instruments	Y	Y (many in IFRS 7 already)
Investment property	Y	Y
Plan assets - IAS 19	Y	N
Agriculture	Y	Y

3. Assign a Team Leader and Allocate Project Resources

Assign a team leader to head an implementation team tasked with implementing the standard. Allocate the team leader adequate resources in terms of staff, budget and time in order to lead an effective implementation of the new standard. As the project progresses, revise the resource allocation to take into account the results of the implementation process..

4. List of Assets, Liabilities and Equity Instruments

Develop a list of all assets, liabilities and equity which should be measured at fair value. This list will help ensure that all required fair value measurements are done and will also assist with the disclosure requirements of IFRS 13. A template which can be used to develop this list is attached.

(Refer to fair value assets and liabilities spreadsheet)

Additionally these listed assets or liabilities may be stand-alone (e.g investment property), a group of assets or a group of liabilities, or a group of assets and liabilities (e.g a cash generating unit). Therefore the level at which fair value should be measured would depend on the unit of account.

The unit of account would be determined in accordance with the IFRS that requires or permits the fair value measurement, except as provided in IFRS 13.

5. Principal or Most Advantageous Market

Determine the market in which fair value is to be measured.

IFRS 13 requires that the principal market is used to determine the value of the asset or liability. The principal market is the market with the greatest volume and level of activity for the asset or liability.

Should the principal market not be determinable, the most advantageous market is used. This is the market which maximises the amount that would be received to sell the asset or minimise the amount that would be paid to transfer the liability, after taking into account transaction and transportation costs.

Financial assets and financial liabilities

6. Valuation Guidance

The valuation of financial assets and financial liabilities can be complex. Attached is a list of some of the more commonly found financial instruments and how to value them.

(Refer list of financial instruments)

The Deloitte Capital Markets team can provide guidance and assistance on valuing financial instruments:



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7. Portfolios

Assess whether financial instruments should be measured on an individual or portfolio basis.

Financial instruments are generally measured on an individual basis. However, a limited exception is provided if fair value can be determined on a portfolio basis where an entity holds a group of financial assets and financial liabilities and is exposed to market risks or credit risk of each of the counterparties.

An entity would then measure fair value of the group of financial assets and financial liabilities on the basis of the price that would be received to sell a net long position (ie an asset) for a particular risk exposure or transfer a net short position (ie a liability) for a particular risk exposure.

However, this is an exception for measurement only and does not apply to presentation in the financial statements. Once the net position has been measured, a reasonable basis should be used to allocate this measurement between the individual financial assets and financial liabilities.

8. Bid-Offer

If a financial asset or financial liability has a bid price and an offer price, use the price within the bid-offer spread that is most representative of fair value in the circumstances to measure fair value.

IFRS 13 allows (but does not require) assets to be measured at bid prices and liabilities to be measured at offer prices. Mid-market pricing or other pricing conventions may be used as a practical expedient for fair value measurement within a bid-offer spread.

9. Illiquid Market

Assess the liquidity of each financial instrument.

The fair value of a financial asset or financial liability might be affected when there has been a significant decrease in the volume or level of activity for that asset or liability in relation to normal market activity. This could result in quoted prices from those markets not being representative of fair value.

Consider the following factors in assessing whether the market for the asset or liability has potentially become an illiquid market:

- Few recent transactions;
- Prices are not developed using current information;
- Prices vary substantially;
- Price indices are uncorrelated with recent indications of fair value for that asset or liability;
- A significant increase in implied liquidity risk premiums, yields or performance indicators for observed transactions or quoted prices;
- A wide bid-offer spread or a significant increase in the bid-offer spread;
- A significant decline in the activity of, or the absence of, a market for new issues of the asset or liability or similar assets or liabilities; and
- Little information is publicly available.

If the quoted prices in an illiquid market are not representative of fair value, then an adjustment to the quoted prices will be necessary in order to determine the fair value of the asset or liability.

10. Fair Value of Financial Liabilities and Equity Instruments

Determine if there is an active market in which the entity's financial liabilities or equity trade as an asset.

Determining fair value for financial liabilities and equity instruments is more difficult than determining the fair value of financial assets as there are limited markets where financial liabilities and equity instruments trade as liabilities and equity. Rather the holders of such instruments trade them as financial assets in asset markets.

If a financial liability or equity instrument issued by the entity is held by another entity as an asset and there is a market in which that asset trades with quoted prices available, then determine the fair value of the financial liability from the perspective of the market participant that holds the asset.

If, however, there is no such market available, then use a valuation technique to determine the fair value of the financial liability or equity instrument. The valuation technique should take into account either of the following:

- The future cash outflows that a market participant would expect to incur in fulfilling the obligation, including any compensation that the market participant would require for taking on the liability; or
- The amount that a market participant would receive to issue an identical financial liability or equity instrument.

11. Credit Risk

Include an entity's own credit risk in determining the fair value of a liability. Record the change in the fair value of a financial liability that arises due to change in an entity's own credit risk, separately in other comprehensive income. Include counterparty credit risk in determining the fair value of a financial asset.

If an entity holds a group of financial assets and financial liabilities it is exposed to the credit risk of each of the counterparties. If the entity manages that group of financial assets and financial liabilities on the basis of its net exposure to credit risk, the entity is permitted to apply an exception to the general requirements of IFRS 13 for measuring fair value.

In determining the counterparty credit risk to be included an entity is permitted to use this exception only if the entity does all of the following:

- Manages the group of financial assets and financial liabilities on the basis of the entity's net exposure to a particular market risk (or risks) or to the credit risk of a particular counterparty in accordance with the entity's documented risk management or investment strategy;
- Provides information on that basis about the group of financial assets and financial liabilities to the entity's key management personnel, as defined in IAS 24 Related Party Disclosures; and
- Is required or has elected to measure those financial assets and financial liabilities at fair value in the statement of financial position at the end of each reporting period.

When applying the fair value measurement exception described above for financial instruments with the same counterparty, include the effect of the entity's net exposure to the credit risk of that counterparty in the fair value measurement when market participants would take into account any existing arrangements that mitigate credit risk exposure in the event of default.

The fair value measurement should reflect market participant expectations about the likelihood that such an arrangement would be legally enforceable in the event of default.

12. Non-market loans

If an entity receives a loan which has a below market rate of interest, this will impact on the fair value of the loan on initial recognition. In such cases, determine the initial amount of the loan by discounting the future cash flows at the market related rate of interest to get the fair value of the loan. Recognise any difference between this amount and the cash proceeds received in profit or loss as a day one gain or loss, unless another standard requires a specific treatment for the loan.

13. Disclosure

IFRS 13 requires the disclosure of financial instruments at fair value in terms of the fair value hierarchy. The disclosures are similar to those already required by IFRS 7 and may not have a significant impact on the financial statements.

(Refer to attached model disclosure and template reporting pack for guidance on the disclosure required by IFRS 13).

14. Perform Dry Run of Financial Statements

Perform a dry run of the financial statements to ensure that the IFRS 13 disclosure requirements have been met.

15. Consultation with IFRS Technical Experts

The team leader and project team need to have a good understanding of the standard which they will be responsible for implementing and the possible impacts on the organisation. To achieve this, consultation with IFRS technical experts may be required. The Deloitte IFRS technical partners who are able to assist with this process are as follows:



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Non-Financial assets

6. Highest and Best Use

Determine the highest and best use of all non-financial assets.

The fair value of non-financial assets is determined by reference to the asset's highest and best use. This is the use of the asset which would maximise the value of the asset and may be different from its current use. The following considerations are used in determining the highest and best use of an asset:

- The use of the asset must be physically possible;
- It must be legally permissible; and
- It must be financially feasible.

It can be assumed that the asset is being used to generate the maximum possible value for the entity, if there is no evidence that the asset is not being used for its highest and best use.

7. Determine Fair Value

The following valuation techniques may be used to determine fair value:

Market Approach	Prices and other relevant information are used to value the asset. The prices are obtained from market transactions involving identical or comparable assets or group of assets and liabilities.
Income Approach	Future amounts (for example cash flows and income or expenses) are converted to a single current discounted amount.
Cost Approach	Reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost).

Each of the valuation techniques will require the use of inputs in order to determine the fair value. IFRS 13 requires that the inputs are classified into the following categories:

Level 1	Quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.
Level 3	Unobservable inputs.

Establish the category of the inputs used in determining the fair value during the calculation of the fair value. Make any external valuation expert used, aware of the need to categorise the inputs. This is due to the specific disclosure requirements for non-financial assets which are most affected by level 1, level 2 and level 3 inputs. Refer to step 8 for the IFRS 13 model disclosure.

8. Disclosure

IFRS 13 has the following disclosure requirements:

- Recurring disclosure for financial assets, financial liabilities or non-financial assets which are measured at fair value at the end of each reporting period
- Non-recurring disclosure for financial assets, financial liabilities or non-financial assets which are only measured at fair value once.

In addition, IFRS 13 has specific disclosure requirements for recurring fair value measurements that are significantly impacted by level 3 inputs (refer to step 7 above).

(Refer to attached model disclosure and template reporting pack for guidance on the disclosure required by IFRS 13)

9. Perform Dry Run of Financial Statements

Perform a dry run of the financial statements to ensure that the IFRS 13 disclosure requirements have been met.

10. Consultation with IFRS Technical Experts

The team leader and project team need to have a good understanding of the standard which they will be responsible for implementing and the possible impacts on the organisation. To achieve this, consultation with IFRS technical experts may be required. The Deloitte IFRS technical partners who are able to assist with this process are as follows:



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