

BOARD NOTICE 41 OF 2005



Accounting Standards Board

Issued: 15 April 2005

The Accounting Standards Board (the Board) at its most recent meeting held on 1 March 2005 approved for release an invitation to comment on the following exposure drafts:

- **ED 18- Consolidated and Separate Financial Statements – GRAP 6**
- **ED 19- Interests in Joint Ventures – GRAP 8**
- **ED 20- Provisions, Contingent Liabilities and Contingent Assets**

While ED 18 and ED 19 have already been exposed for comment as part of an invitation to comment in July 2004, the Board decided to re-expose both draft Standards for a limited period (3 Months). These draft Standards include changes from the International Accounting Standards Board's (IASB's) improvements project and approved changes from comments submitted by respondents to the previous invitations to comments.

The objective of the proposed Standard of Generally Recognised Accounting Practice (GRAP) on *Provisions, Contingent Liabilities and Contingent Assets* is to prescribe appropriate recognition criteria and measurement bases for provisions, contingent liabilities, and contingent assets. It also ensures that information is disclosed in the notes to the financial statements to enable users of government financial statements to understand the nature, timing and amount of those provisions, contingent liabilities, and contingent assets.

This proposed Standard of GRAP thus aims to ensure that only genuine obligations are dealt with in the financial statements of South African public sector entities including amongst others, National and Provincial departments, Parliament, Constitutional Institutions, etc. Planned future expenditure, even where authorised by the accounting officer or a governing body where relevant, is excluded from recognition, as are accruals for self-insured losses, general uncertainties, and other events that have not taken place.

This draft Standard of GRAP includes changes from the International Accounting Standards Boards improvements project and proposed guidance from other International Standard setting bodies.

The comment period for ED 18 and ED 19 ends on 15 July 2005, and ED 20 on 15 August 2005. It would be appreciated if comments on each document could be submitted separately.

Copies of the exposure drafts are attached and can also be downloaded from the ASB web site – <http://www.asb.co.za>, or can be obtained by contacting the ASB offices.

Tel: 012 470 9480
Fax: 012 348 4150

Comments can be emailed to info@asb.co.za or can be submitted in writing to:

Accounting Standards Board
PO Box 74129
Lynwood Ridge
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We are looking forward to receiving your comments.