



**ANALYSIS AND RESPONSES TO WRITTEN COMMENT  
RECEIVED ON**

**PROPOSED TRANSITIONAL PROVISIONS FOR THE  
INITIAL ADOPTION OF THE STANDARD OF GRAP ON  
*LIVING AND NON-LIVING RESOURCES***

**(ED 154)**

**RESPONSES TO THE WRITTEN COMMENT RECEIVED ON THE *PROPOSED TRANSITIONAL PROVISIONS OF THE STANDARD OF GRAP ON LIVING AND NON-LIVING RESOURCES (GRAP 110)***

The Accounting Standards Board (Board) approved the exposure of the *Proposed Transitional Provisions for the Initial Adoption of the Standard of GRAP on Living and Non-living Resources (GRAP 110)* (ED 154) in April 2017 for comment. A Notice was published in the Government Gazette on the 15<sup>th</sup> of May 2017 (Notice 40827). The comment period closed on 31 July 2017.

The Board received a comment letter from SANPARKS and the Department of Treasury of the Free State Province, which include submissions from the entities listed in the table on the next page. The results from the formal comment process are summarised in this document, and include the Board's responses to the comment received.

In addition to the comment letters received, ED 154 was also discussed with preparers, auditors and consultants by way of workshops, roundtable discussions or meetings. The summary of comment received during these discussions is included in a separate analysis.

**CLASSIFICATION OF WRITTEN COMMENT RECEIVED ON THE *PROPOSED TRANSITIONAL PROVISIONS FOR THE INITIAL ADOPTION OF THE STANDARD OF GRAP ON LIVING AND NON-LIVING RESOURCES (ED 154)***

No.	Name/Organisation	Preparers	Users	Auditors	Other interested parties
1.	SANPARKS	√			
2.	Submission by the Free State Department of Treasury, including inputs from the following entities: <ul style="list-style-type: none"> <li>• Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA)</li> <li>• Education</li> <li>• Provincial Treasury</li> <li>• Sports, Arts, Culture and Recreation</li> <li>• Free State Development Corporation</li> </ul>	√ √ √ √	√		



**ANALYSIS AND RESPONSES TO COMMENTS ON THE PROPOSED  
TRANSITIONAL PROVISIONS FOR THE INITIAL ADOPTION OF THE  
STANDARD OF GRAP ON LIVING AND NON-LIVING RESOURCES (ED 154)**

<b>COMMENTS ON ED 154 PROPOSED TRANSITIONAL PROVISIONS FOR THE INITIAL ADOPTION OF LIVING AND NON-LIVING RESOURCES (GRAP 110)</b>		
<b>No.</b>	<b>Comments</b>	<b>Board's response</b>
<b>GENERAL MATTERS FOR COMMENT</b>		
<b>1. SANPARKS</b>		
1.1	<p><u>Overall opinion on whether the Exposure Draft is supported in general</u></p> <p>SANPARKS support the three year transitional provision for the measurement of living resources which are controlled by an entity. In addition, we support the retrospective application for the measurement of living resources. This is consistent with the principles applied on initial adoption of the most recently adopted asset standard (i.e. Heritage Assets.).</p>	Noted. No further action required.
1.2	<p><u>Whether or not the principles in the Exposure Draft are supported.</u></p> <p>SANParks supports the principles in the Exposure Draft. The principles are consistent with those applied on initial adoption of the most recently adopted asset standard (i.e. Heritage Assets.)</p>	Noted. No further action required.
<b>2. FREE STATE DEPARTMENT OF TREASURY</b>		
<b>DESTEA</b>		
2.1	No comments.	Noted. No further action required.



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No.	Comments	Board's response
	<b>Education</b>	
2.2	<p>The Exposure Draft is in general supported except for the disagreement with paragraph .02.</p> <p>This paragraph seems contradictory. If the understanding is correct it basically states that the standard should be applied retrospectively to all living resources under the entity's control on the effective date of the standard and then it states unless the living resource is controlled by the entity on the effective date of the standard.</p>	<p>Noted. The last part of the transitional provision has been deleted to avoid misinterpretation. The transitional provision requires an entity to apply GRAP 110 retrospectively to those living resources it controls on the effective date of the Standard. Retrospective adjustments should be made by adjusting the opening balance of the affected component of net assets for the earliest period presented, and any other comparative amounts disclosed.</p>
	<b>Provincial Treasury</b>	
2.3	<p>The Provincial Treasury agrees with the response provided by the Department of Education. The entity only applies Grap 110 to those living resources that it controls on the effective date of the Standard. The contradiction is that an entity applies GRAP 110 retrospectively <b><u>unless</u></b> the living resource is controlled by the entity on the effective date.</p>	<p>Noted. Refer to the response to comment 2.2.</p>



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No.	Comments	Board's response
	<b>Sports, Arts, Culture and Recreation</b>	
2.4	Support proposed transitional provisions in Exposure Draft.	Noted. No further action required.
	<b>Free State Development Corporation</b>	
2.5	Support proposed transitional provisions in Exposure Draft.	Noted. No further action required.