

Topic	Issues deliberated	Decisions of the Board	Status	Effective date	Next steps
Proposed Guideline on <i>The Application of Materiality to Financial Statements</i>	<i>The use of capitalisation thresholds and their accounting implications</i>	<p>Respondents to Discussion Paper 9 <i>Materiality – Reducing Complexity and Improving Reporting</i> indicated that preparers often use capitalisation or other thresholds when preparing the financial statements. As an example, items of a certain class of assets or assets below a certain Rand-value will be expensed rather than accounted for in accordance with GRAP 17 <i>Property, Plant and Equipment</i>.</p> <p>Respondents indicated that they were often required to capitalise items when the effect of applying the threshold becomes material, and that this is most often based on a Rand-value only. Respondents held the view that considering whether the effect of applying these thresholds is material should be considered by assessing both quantitative and qualitative factors. For example, although the effect of applying a certain threshold has reached a Rand-value, the nature of the assets is such that information about them is not likely to affect decisions of users.</p> <p>The Board considered that the use of capitalisation and other thresholds is a means of practically applying the Standards of GRAP to ensure that the Standards are only applied to material items.</p> <p>The Board agreed that, when an entity develops accounting policies and thresholds, it should consider the materiality of the individual or aggregate transactions as well as the cumulative effect of the line items in the financial statements for current and future periods. An entity also considers qualitative factors when developing its policies and thresholds. Equally, when an entity assesses whether the effect of applying certain policies or thresholds is material, an entity considers both quantitative and qualitative factors.</p>	Exposure Draft	No effective date as it is a Guideline.	Comment deadline 7 December 2018.

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	<i>Amendments to GRAP 1 Presentation of Financial Statements</i>	<p>The IASB made amendments to IAS 1 <i>Presentation of Financial Statements</i> as part of its Disclosure Initiative project. In an effort to eliminate entities applying the lists of disclosure requirements as “checklists”, the IASB deleted references to these being “minimum” requirements.</p> <p>The Board proposed similar amendments to GRAP 1 so as to not create conflict between the Standards of GRAP and the concepts outlined in the proposed Guideline.</p>	Exposure Draft	To be determined.	Comment deadline 7 December 2018.
Research Paper on <i>The Presentation of Information in the Statement of Financial Performance</i>	<i>Presentation of issues based on research findings</i>	<p>The Board agreed to publish the results of the research undertaken to identify how information is presented in the statement of financial performance by preparers.</p> <p>The purpose of the Research Paper is to outline (a) the findings of the research – which includes both areas of non-compliance with the Standards as well as where reporting could be improved, (b) reasons why the findings may have arisen, and (c) how the issues can be resolved.</p>	Issued.	No effective date as it is not authoritative	Communication to relevant stakeholders.



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