Amendments to GRAP 1 on *Presentation of Financial Statements* (going concern)

June 2026

ACCOUNTING STANDARDS BOARD

Disclaimer

The views and opinions expressed in this presentation are those of the individual. Official positions of the ASB on accounting matters are determined only after extensive due process and deliberation.

GRAP 1 changes on going concern

GRAP 1 requires management to make an assessment of entity's ability to continue as a going concern when preparing its financial statements

Amendments to GRAP 1 clarify:

- Can not prepare financial statements on going concern basis following passing of legislation / decision by appropriate authority
  - Liquidate or cease operations in entirety or
  - No realistic alternative but to do so
- Going concern remains appropriate when some or all of functions are transferred or one or more entities are merged
  - Consider GRAP 105, GRAP 106 or GRAP 107 dealing with transfer of functions or mergers
  - Presentation and disclosure – GRAP 100 on *Discontinued Operations*

Effective:
1 April 2027

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GRAP 1 changes on going concern

Additional disclosures when one or more uncertainties exist that may cast doubt on ability to continue as going concern

- Significant judgements and assumptions in assessing whether going concern assumption is appropriate
- Material uncertainties related to events or conditions that may cast significant doubt upon an entity's ability to continue as a going concern:
  - fact that there is one or more uncertainties;
  - information about principal events or conditions giving rise to uncertainties;
  - possible effects on current and future reporting periods; and
  - information about management's plans and actions to mitigate the effect of the events or conditions

NB – may include cross-reference if this information is published elsewhere with the financial statements

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These amendments become effective on 1 April 2027

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GRAP 1 – Fact Sheets

GRAP-1-Fact-sheet-1-Assessing-going-concern

- When should financial statements be prepared on going concern basis
- When should management assess going concern
- Time frames considered in making the going concern assessment
- What events and conditions may management consider when assessing going concern and material uncertainties
- What disclosures should be presented in financial statements

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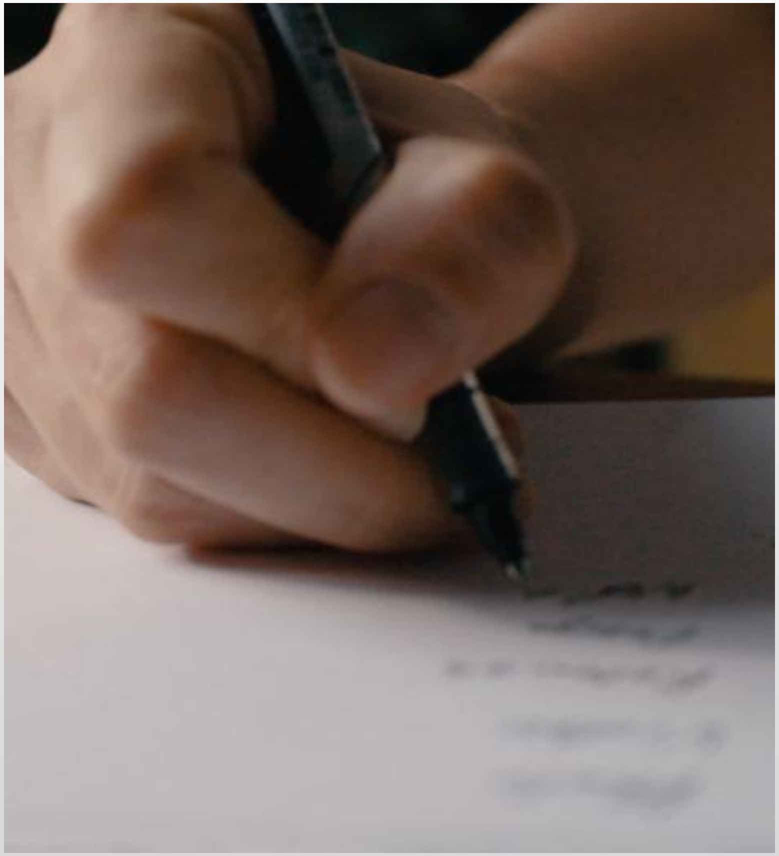
GRAP 1 – Fact Sheets



GRAP-1-Fact-sheet-2-Preparing-AFS-on-a-basis-other-than-going-concern

- When should an entity prepare its financial statements using a basis other than going concern
- What should an entity consider when preparing its financial statements on a basis other than going concern
- Recognition and measurement considerations
- What disclosures may be provided when financial statements are not prepared on a going concern basis
- Should comparative information be restated

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