

PRESENTING THE STATEMENT OF FINANCIAL POSITION

Current and non-current vs Order of liquidity

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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.



Current and non-current vs Order of liquidity

General rule:

- Present current and non-current assets, and current and non-current liabilities, as separate classifications on the face of the SFP.

Exception:

- Where a presentation based on liquidity provides information that is reliable and more relevant, then present in order of liquidity.

Current and non-current vs Order of liquidity

- Asset and liability line items that combines amounts expected to be recovered or settled
 - < 12 months after the reporting date; and
 - > 12 months after the reporting dateDisclose the amount expected to be recovered or settled after > 12 months.
- Some Standards of GRAP require disclosure about the expected dates of realisation of assets and liabilities.



Current and non-current assets

- Assets are current when it satisfies any of the following:
 - expected to be realised or held for sale or consumption in the entity's normal operating cycle;
 - held primarily for the purpose of being traded;
 - expected to be realised < 12 months after the reporting date; or
 - cash or a cash equivalent asset (per GRAP 2) unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- All other assets are classified as non-current.



Current and non-current liabilities

- Liabilities are current when it satisfies any of the following:
 - expected to be settled in the entity's normal operating cycle;
 - held primarily for the purpose of being traded;
 - due to be settled < 12 months after the reporting date; or
 - does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
- All other liabilities are classified as non-current.

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