GRAP 104
Financial instruments (2019)

28 March 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.

Outline

1. Resources
2. High-level summary of changes
3. Credit-impaired financial assets
4. Classification
5. Impairment
6. Transitional provisions

Acronyms and abbreviations

Abbreviation / acronym	Description
CF	Cash flows
FGC	Financial guarantee contracts
FA	Financial assets
FL	Financial liabilities
FV	Fair value
FVTSD	Fair value through surplus or deficit
GRAP	Generally Recognised Accounting Practice
Pmt	Payment
PV	Present value
SCNA	Statement of changes in net assets
SFPER	Statement of financial performance
SFPOS	Statement of financial position

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Resources

Resources

Link on ASB website:

Approved but not yet effective

https://www.asb.co.za/grap-104-2/

Version and Document Link
GRAP 104 Version (1 April 2024)
Appendix A application guidance
Appendix B consequential amendments
Appendix C implementation guidance
Appendix D Illustrative examples
Basis for Conclusions
Final transitional provisions for GRAP 104

Accompanying material and Document link
FAQs
Fact Sheet 1 - Definition of a financial instrument
Fact sheet 2 - Bank accounts
Fact sheet 3 - Receivables
Fact sheet 4 - Payables
Fact sheet 5 - Concessionary loans payable
Fact sheet 6 - Concessionary loans receivable
Fact sheet 7 - Financial guarantee contracts
Fact sheet 8 - Loan commitments
Fact sheet 9 - Investments in residual interests
Fact sheet 10 - Investments and loans receivable
Fact sheet 11 - VAT
Fact Sheet 12 (1 of 2) - Disclosure Financial Position and Performance
Fact Sheet 12 (2 of 2) – Disclosure Nature and Extent of Risks

Resources

Link on ASB website:

Supporting adoption of Standards

https://www.asb.co.za/financial-instruments-revised-2019/

Title and Link
GRAP 104 placemat
Concessionary loans payable (December 2024)
Overview of revised financial instruments (March 2021)
Concessionary loans receivable (September 2022)
GRAP 104 (revised), Fact Sheets and FAQs
Presentation on Amendments to IFRS 9 (classification of financial instruments)
Presentation on miscellaneous topics

Presentation on Financial Instrument Disclosures
Presentation on Inter- entity loans
Presentation on Loan commitments
Presentation on Transitional Provisions
Presentation on Investments
Presentation on Revolving credit facilities (lender)
Presentation on Revolving credit facilities (borrower)
Presentation on Financial guarantee contracts
Loan Commitments Flow Chart

High level summary

High-level summary of changes

Section	Change
Scope	• Include financial guarantee contracts in the recognition & measurement requirements • Include certain loan commitments in the recognition & measurement requirements • Include impairment requirements to all loan commitment • Include criteria where contracts to buy or sell non-financial items are included in the scope regardless of the purpose of the contract
Initial recognition	• Guidance on contingent settlement provisions
Initial measurement	• Introduce credit-impaired financial assets • Additional guidance on the treatment of the difference between FV and the transaction price • Added guidance for concessionary investments

High-level summary of changes

Section	Change
Classification	• Amend the criteria to classify instruments as measured at amortised cost or FVTSD • Amend criteria to designate financial assets as measured at FVTSD • Add criterion to designate financial liabilities as measured at FVTSD • A hybrid contract contains a host that is an asset within the scope of GRAP 104, the classification criteria are applied to the entire contract
Reclassification	• Amend the criteria when an instrument can be reclassified • Include measurement requirements for on the date of reclassification
Effective interest rate method	• Amend the calculation of interest revenue for credit-impaired financial assets
Write-off	• Add subsequent measurement for accounts written off

High-level summary of changes

Section	Change
Modification of contractual cash flows	• Add subsequent measurement requirements for financial assets renegotiated or modified and it did not result in the derecognised of the financial asset
Subsequent measurement	• Add measurement requirements for financial guaranteed contracts and for commitment to provide a loan below market interest
Impairment	• Change the model used for impairment • No change in the impairment measurement for residual value interests carried at cost • Include impairment recognition requirements for purchased or originated credit-impaired financial assets • Include credit risk assessment requirements for financial assets modified or renegotiated and it did not result in the derecognised of the financial asset

High-level summary of changes

Section	Change
Gains and losses	• Amend the recognition requirements for FV adjustments of financial liabilities designated as measured @ FVTSD
Disclosures	• Additional disclosures under SFPOS • Amend disclosures under SFPER • Change disclosure requirements for credit risk • Make sensitivity analysis under market risk compulsory

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Credit impaired financial assets

Definitions

Credit impaired financial assets

A financial asset is credit-impaired when one or more events occurred that have a detrimental effect on the estimated future cash flows. Evidence might include:

- Significant financial difficulty
- A breach of contract, for example, default payments or past due event
- Concessions were granted that would not be otherwise considered
- The borrower enters bankruptcy or another financial reorganisation
- Disappearance of an active market because of financial difficulties

Definitions

Credit-adjusted effective interest rate

- The rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset to the amortised cost of a financial asset that is purchased or originated credit-impaired financial asset.

Different categories

	Purchased 1	Originated 2	Happened 3
	Purchased at a deemed discount	Very high credit risk at initial recognition	Observable data of an event
Interest rate	Credit adjusted effective interest	Credit adjusted effective interest	Effective interest rate
Recognition of interest revenue	Amortised carrying amount	Amortised carrying amount	Amortised carrying amount

Not applicable to receivables GRAP 9&23

For receivables: Gross carrying amount

Example of FA (not receivables): Happened

- Initial recognition 900
- Term 4 years @ 10% interest
- Repayments 284

End of year 1:
- Credit impaired
- Paid 284
- Loss allowance 35

End of year 2:
- No longer credit impaired
- Paid 284
- Loss allowance 1

Initial recognition	
Dr Customer	900
Cr Revenue	(900)

Year 1 interest	
Dr Customer-900x10%	90
Cr Interest revenue	(90)

Year 1: Loss allowance	
Dr Impairment loss	(35)
Cr Loss allowance	35

Year 1: Carrying value	
900 + 90 – 284	706
Loss allowance	(35)
Amortised cost	671

Year 2 interest	
Dr Loan (671 x 10%)	67
Cr Interest income	(67)

Year 2: Loss allowance	
Dr Loss allowance	34
Cr Impairment gain	(34)

Year 2: Carrying value	
706 + 67 - 284	489
Loss allowance	(1)
Amortised cost	488

Year 3 interest	
Dr Loan (489 x 10%)	49
Cr Interest revenue	(49)

Example: Originated

- Transaction 900
- Term 4 years @ 10% interest
- Repayments 284
- Credit impaired

Initially:
- Expected payments 200 per year
- PV of expected future payments 634

End of year 1:
- PV of expected future payments 497
- Paid 284
- Contractual amount due: 706

Initial recognition	
Dr Customer	634
Dr Impairment loss	266
Cr Revenue	(900)

Year 1 interest	
Dr Customer-634 x 10%	63
Cr Interest revenue	(63)

Year 1: Carrying value	
Initial	634
Interest	63
Payment	(284)
Sub-total	**413**

Year 1: ECL adjustment	
Sub-total	413
Amortised cost	497
Impairment	84

Year 1 ECL	
Dr Customer	84
Cr Impairment gain	84

Year 2 Interest	
Dr Customer-497x10%	50
Cr Interest revenue	(50)

Classification

Classification of financial assets

Business model	Contractual cash flow characteristics

Objective

- Hold asset to collect contractual cash flow
- Hold to sell
- Combination

SPPI test

Cash flow on specified dates that are **s**olely **p**ayment of **p**rincipal and **i**nterest

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SPPI Test

- Solely payment of principal and interest
- These are the maximum requirements
- Elements of interest
  - Time value of money
  - Credit risk
  - Liquidity risk
  - Profit margin and
  - Costs
- Thus a basic lending arrangement (fixed rate loan, bond, etc.)

Fails SPPI test
= fair value

Classification summary of financial assets

Financial instrument	Financial assets		
Classification depends on 1. business model and 2. contractual cash flow characteristics	**Amortised cost**	**FVTSD**	**Cost**
Business model	Hold to collect contractual cash flows over the life of the instrument	Hold to sell	Investment in residual interest Fair value not reliably measured
Contractual cash flow characteristics (SPPI test)	Must be solely payment of principal and interest (SPPI) on principal	DEFAULT	n/a

Classification of financial liabilities

Amortised cost	**FVTSD**	4 other categories
All financial liabilities	Derivatives	FA do not qualify for derecognition
	Held for trading	FGC
	Irrevocable designation	Loan commitments at below-market interest rate
		Contingent consideration in transfer of functions

Impairment

Impairment: Scope

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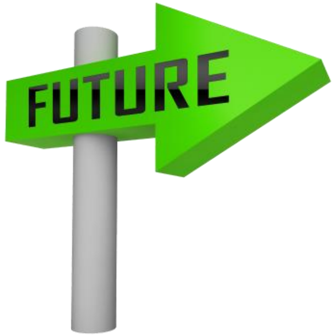
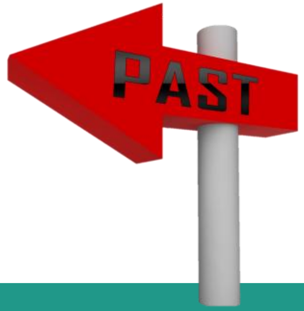
GRAP 104 (new)



GRAP 104 (current)



Recognise loss allowance for expected credit losses on:

- Financial assets at amortised cost
- Lease receivable (GRAP 13)
- Loan commitments
- Financial guarantee contracts

Expected credit loss

- What is the possibility of default?
- If there is a default, what is the expected loss?

ECL = Risk of default × LGD x EAD

- Default – **trigger point of the ECL calculation**
  - Likelihood that the borrower will not be able to make their required debt payments
  - Entity specific: qualitative and quantitative criteria
  - Back-stop by standard: 90days past the due date

Expected credit loss
The weighted average of credit losses with the respective risks of a default occurring as the weights

Measurement

- Reasonable supportive information (par. AG5.109 – AG5.114)
  - Past events, current conditions and forecast of future economic conditions
  - Undue cost or effort
- Historical data
  - Probability of default (PD): Analyse historical default (entity must define) rates
  - Loss given default (LGD): How much do you lose when default happens? Inverse of recovery rates.
  - Timing of losses: How long does it take to go from ‘past due’ to default / write off
- Losses
  - More than non-payment, eventual write off
  - Real economic loss due to the time value of money
  - Write-off is the final administrative step, not the point at which a loss occurs

Measurement

Losses (illustration)

- Entity owes you R100,000, and the balance is in current
- Scenario 1 (partial payment)
  - You expect to collect R90,000 in one year's time
  - PV of the R90,000 is R87,000
  - Credit loss is R10,000 **plus** R3,000 (the discounting effect of one-year)
  - LGD = 13/100 = 13%
- Scenario 2 (time-value of money loss)
  - Certain debtor will be full R100,000 after a lengthy 2-year collection process
  - Assume the PV is R89,000
  - Credit loss is R11,000
  - LGD = 11/100 = 11%

Measurement

Prescription Act

- Direct, significant and non-negotiable impact on ECL
- The Act extinguishes your right to collect after a specific period.
- Expected cash flows = zero
- Once debt is prescribed = legally unenforceable = zero probability of recovery through legal channels
- Legal reality must be a key input into forward-looking assumptions
  - E.g. LGD = 100%
  - E.g. if debt is 2years 11months and prescribe at 3years – possibly override historical LGD to 100%
- Consider a separate segment for these debts

Measurement

Collective and individual assessment (par. AG5.60 – AG5.65)

- Individual assessment is not a requirement
- Based on shared credit risk characteristics
  - Past due status
  - Types of services or goods provided
  - Geographical location
  - Debtor type

Measurement

- Period over which to estimate expected cash flows (par. AG5.98 – AG5.100)
  - Maximum contractual period is the period you are exposed to credit risk
- Probability-weighted outcome (par. AG5.101 – AG5.103)
  - Not worst estimate nor best estimate
  - Reflect possibility – credit loss occurs, and no credit loss occurs
- Time value of money (par. AG5.104 – AG5.108)
  - Original effective interest rate **or** approximate
  - Original credit-adjusted effective interest rate
  - Lease receivables = rate used to measure the lease receivable
  - Loan commitment = original effective interest rate **or** approximate rate when recognising the loan
  - Loan commitment & FGC – cannot determine effective interest rate = current market rate of time value of money + adjustment for risks

Measurement

- Original effective interest rate **or** approximate
  - Effective interest rate discounts future cash flows to the gross carrying amount of the financial asset. Based on contractual terms.
  - Determine market rate if not at market terms
  - As practical expedient consider using it as a base (par. AG5.5 – AG5.7)
    - Prime lending rate for loans or receivables + adjust for risks specific to debtor
    - Government bond rate for government debt. The rate must match the maturity of the debt
  - Not recognising material financing portion on initial measurement *(practical expedient in par. AG5.9)* ≠ no time value of money considerations for impairment of receivables
  - Approximate = close to the actual but not completely accurate or exact

Measurement

- Collateral (par. AG5.115)
    - Do not include if not planning to call up the collateral
- Approach for measuring ECL (par. AG5.72)
    - GRAP 104 does not prescribe the approach
    - Example includes: credit loss rate approach
    - Approach must include:
        - Change in the risk of default occurring
        - Expected life of the instrument
        - Reasonable and supportive information
    - GRAP 104 does not prescribe the method
    - Method must consider:
        - Characteristics of the instrument
        - Default pattern in the past for comparable instruments

Measurement

- Method for assessing credit risk (par. AG5.72)
- Modifications (par. AG5.84 – AG5.86)
  - Consider if the modification resulted in the derecognition of the existing and recognition of a new instrument
  - For modifications, the instrument is not automatically considered to have a low credit risk

Measurement

General approach

- Financial assets at amortised cost
- Loan commitment
- Financial guarantee contract

No significant increase in credit risk	12-month ECL
All others	Life-time ECL

Simplified approach

- Receivables
- Lease receivables

- Cannot apply to purchased or originated credit-impaired receivables

Life-time ECL

Measurement

POCI

- Purchase or originated credit impaired

Life-time ECL

Financial assets at cost

- Check for indicators of impairment
- Using the definition of credit-impaired assets

Life-time ECL

General approach: summary

	Stage 1 Performing	Stage 2 Under performing	Stage 3 Credit-impaired
Credit risk	Performing	Significant increased	Identified as impaired
Loss allowance	12 month ECL	Lifetime ECL	Lifetime ECL
Recognition of interest revenue	Gross carrying amount	Gross carrying amount	Amortised carrying amount

Simplified approach: Summary

	All other receivables
Credit risk	No assessment
Loss allowance	Lifetime ECL
Recognition of interest revenue	Gross carrying amount

Only one difference compared to the general approach:

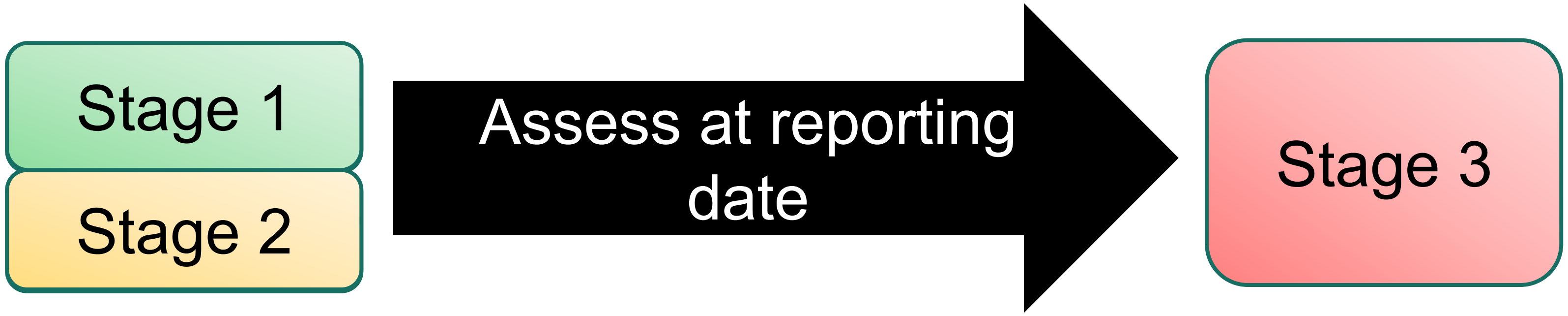
No assessment of changes in risk
(no stage 1 & 2)

Credit risk

Stage 1 → Assess at reporting date → Stage 2

- Significant increase in credit risk since initial recognition
- Change in the risk of **default** over the life of the instrument
    - Risk of default at the reporting date versus risk of default at initial recognition
- If a financial asset has low credit risk at the reporting date = Risk has not increased significantly
- Rebuttable presumption:
    - If contractual payments are > 30 days past due = Risk has increased significantly
    - Default not later than >90 days past due

Credit risk



One or more events occurred that have a detrimental effect on the estimated future cash flows. Evidence might include:

- Significant financial difficulty of borrower
- Breach of contract (e.g., default or past due)
- Lender has granted a concession it would not otherwise do
- Probable that borrower will enter bankruptcy or financial reorganisation
- Disappearance of market for that financial asset
- Purchase or origination of financial asset at a deep discount

12-month ECL

- <u>Impairment - new definitions</u>

12-month ECL	Portion of lifetime expected credit losses (ECL) that represent the expected credit losses that result from default events that are possible within 12 months after the reporting date
Lifetime ECL	The expected credit losses that result from all possible default events over the expected life of a financial instrument

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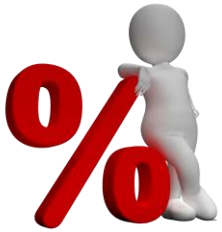
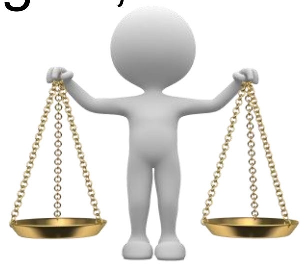
Presentation and disclosure

Gains and losses

- Gains and losses: interest, foreign exchange, impairment loss / gain, fair value adjustment and other





FVTSD (liabilities not designated)

- All gains or losses
  - Surplus or deficit

At amortised cost

- All gains or losses
  - Surplus or deficit

Exception!
Accounting mismatch

Liabilities designated at FVTSD

- FV adjust due to credit risk of liability
  - Net assets
- All other gains or losses
  - Surplus or deficit

Purpose of disclosures

The purpose is to inform the users of:

- What is the magnitude of the financial instruments for the entity
  - What financial instruments exist
  - How are they measured
- What types of risks exist because of financial instruments
  - Credit, liquidity, market risk
- Quantify the risks
  - What is the entity’s exposure
- How does the entity manage these risks
  - How are the risks identified and mitigated

Purpose of disclosures

Consider the following when disclosing information:

- Only disclosures that are relevant to the entity
- Understand the needs of the users
- Only material information
- Disclosure requirements are not a checklist to see if you disclosed everything listed in the Standard
- Judgement-based approach
- Make it entity-specific – no “boilerplate” disclosures
- Do not duplicate disclosures – cross-reference between notes

What is new?

Statement of financial position

- Add disclosures for financial assets designated as FVTSD
- Add disclosures for financial liabilities designated at FVTSD
- Require qualitative information about why instruments were designated at FVTSD
- Additional disclosures for investment measured at cost *(which investments and why)*
- Offsetting (present in a tabular format)
- Reconciliation and reason for originated or purchased credit-impaired concessionary loans

What is new?

Statement of financial performance

- More detailed split of gains and losses
- Disclose interest revenue and expense of financial liabilities not measured at FVTSD (e.g. loan commitments, FGC, and other)

What is new?

Credit risk

- Explain credit risk management practices – how they link to the ECL
  - Significant increase in credit risk, grouping, default, when it is credit-impaired, write-off policy,
- Method, assumptions and techniques used to determine the loss allowance
  - How was forward-looking information incorporated
  - **M**ethod, **A**ssumption and **D**ata – measure credit loss, if there is a significant increase in credit risk, if the instrument is credit-impaired
- Explain changes in loss allowance and the reasons *(more detailed than before)*

What is new?

Credit risk

- Disclosures for financial assets modified that did not result in derecognition
- Qualitative and quantitative impact of collateral on ECL
- Disclosures for write-off that are subject to enforcement activity
- Show where the risk is concentrated
- Exposure to credit risk by credit risk rating grades

Market risk

- Sensitivity analysis is compulsory

Transitional provisions for GRAP 104 Financial instruments (2019)

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Effective date and application

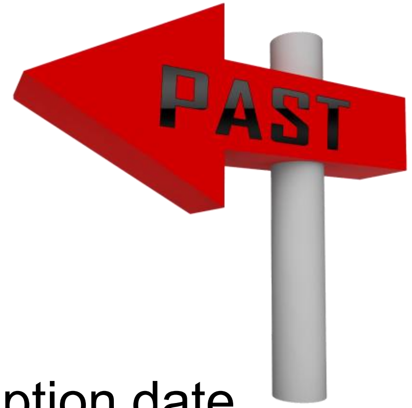
Resources

- Final transitional provisions for GRAP 104
- [GRAP 104 – ASB]

Effective date

- Periods beginning on or after 1 April 2025

Hold that thought!



Application

- Retrospective application using GRAP 3
- Transitional provisions applicable
- GRAP 104 (2019) not applicable = instruments derecognised on initial adoption date

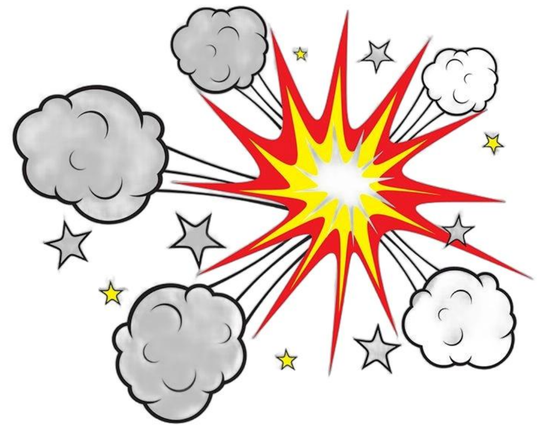
Adoption

Initial adoption date

- Date = First applies requirements of GRAP 104 (2019)
  - **PFMA: 1 April 2025, MFMA: 1 July 2025, TVET: 31 Dec 2025**
- Beginning of a reporting period

Early adoption

- Permitted
- Disclose the fact
- Apply all requirements = full adoption ≠ phased in approach
- *Remember: initial adoption date then changes*



Retrospective application

- Regardless of retrospective application requirement (par.01 of transitional provisions)
- Not required to restate comparative periods (par.16 of transitional provisions)

GRAP 104(2009)
Carrying amount
Initial adoption date

−

GRAP 104(2019)
Restated
Carrying amount
Initial adoption date

=

Opening balance
Accumulated surplus/deficit
Initial adoption date

Opening balance of period that includes the initial adoption date

Assessment on initial adoption date

Perform the following assessments based on **facts and circumstances existing** on the **initial adoption date**

Classification	Area in GRAP 104(2019)
Financial assets	What is the management model
	Are the criteria met for designation as @ FVTSD

Classification	Area in GRAP 104(2019)
Financial liabilities	Are the criteria met for designation as @ FVTSD
	Will FV recognised in net assets create/enlarge an accounting mismatch

Assessment on initial adoption date

Perform the following assessments based on **facts and circumstances existing** on the **initial adoption date**

GRAP 104(2009)	GRAP 104(2019) transitional provision
Designated (par.17(a)) **financial assets @ FV**	Shall revoke designation if GRAP 104 (2019) par.4.6 criteria are not met
	May revoke designation if GRAP 104 (2019) par.4.6 criteria are met

GRAP 104(2009)	GRAP 104(2019) transitional provision
Designated (par.17(b)) **financial liabilities @ FV**	Shall revoke designation if GRAP 104 (2019) par.4.8(a) criteria are not met
	May revoke designation if GRAP 104 (2019) par.4.8(a) criteria are met

Assessment on initial adoption date

Perform the following assessments based on **facts and circumstances existing** on the **initial adoption date**

Instruments at FV under GRAP 104(2009) and amortised cost in GRAP 104(2019)

- If it is impractical to apply the effective interest method retrospectively
- Financial assets: FV at initial adoption date, GRAP104(2009) = gross carrying amount
- Financial liabilities: FV at initial adoption date, GRAP104(2009) = amortised cost

Contracts to buy or sell non-financial items (GRAP 104(2019) par.1.10)

- Can designate contracts that exist at the adoption date as measured @ FVTSD
- Must designate all similar contracts

Financial assets

Cash flow characteristics – modified time value of money element

- Impractical to assess based on facts and circumstances at initial recognition
- Use facts and circumstances at **initial recognition date**
- Don't consider modification of time value of money element (par.AG4.24-AG4.26)

Cash flow characteristics – prepayment feature

- Impractical to assess – FV prepayment feature = insignificant - based on facts and circumstances at initial recognition
- Use facts and circumstances at **initial recognition date**
- Don't consider the exception for prepayment features (par.AG4.30)

Hybrid contracts

- Measured at FV under GRAP 104(2019) & not at FV under GRAP 104(2009)
  - Example: GRAP 104(2019) hybrid is measured at FV
  - GRAP 104(2009) derivative and host was split & measured at FV and amortised cost
- FV of hybrid contract on comparative periods = FV of separate components

Sum of components *Initial adoption date* − FV of hybrid contract *Initial adoption date* = Opening balance Accumulated surplus/deficit *Initial adoption date*

Impairment

- Retrospective application = measurement impairment losses using ECL on the **initial adoption date**
- Reasonable & supportable information – undue cost/effort
- Determine **credit risk** at the initial recognition date **vs** credit risk at the **initial adoption date**
- Unable to determine whether there was a significant increase in credit risk:
    - Loss allowance = lifetime expected credit losses at each reporting date
    - Until derecognition / low credit risk at reporting date
    - Unless instrument has a low risk at the reporting date

Additional disclosure

On the initial adoption date

- **Par.23:** Per class of financial assets and liabilities – in tabular form
  - Measurement category & carrying amount under GRAP 104 (2009)
  - Measurement category & carrying amount under GRAP 104 (2019)
  - Change in carrying amount due to GRAP 104 (2009) measurements
  - Changes in carrying amount due to transition
  - Amount – designated at FVTSD under GRAP 104 (2009) & no longer designated, distinguish:
    - Those required to be reclassified
    - Those the entity elects to reclassify

Additional disclosure - illustration

Category and carrying amount

v. Classification of financial assets and financial liabilities on the date of initial application of IFRS 9

The following table shows the origina[l] … teg… and the new measurement categories under IFRS … the … assets and financial liabilities as at 1 January 2017.

Old

New

In millions of euro	*Note*	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets					
Interest rate swaps used for hedging	*24*	Fair value – hedging instrument	Fair value – hedging instrument	131	131
Forward exchange contracts used for hedging	*24*	Fair value – hedging instrument	Fair value – hedging instrument	352	352
Other forward exchange contracts	*24*	Held-for-trading	Mandatorily at FVTPL	89	89
Sovereign debt securities	*24*	Held-for-trading	Mandatorily at FVTPL	591	591
Corporate debt securities	*24, X(v)(a)*	Available-for-sale	FVOCI – debt instrument	373	373
Equity securities	*24, X(v)(b)*	Available-for-sale	FVOCI – equity instrument	511	511
Equity securities	*24, X(v)(c)*	Designated as at FVTPL	Mandatorily at FVTPL	254	254
Trade and other receivables	*17, X(v)(d)*	Loans and receivables	Amortised cost	22,485	22,327
Cash and cash equivalents	*18*	Loans and receivables	Amortised cost	1,850	1,849
Corporate debt securities	*24, X(v)(e)*	Held to maturity	Amortised cost	2,256	2,243
Total financial assets				28,892	28,720

Changes in carrying amounts

v. Classification of financial assets and … ties on the … initial application of IFRS 9 (continue…

The following table reconciles the carrying amounts o… …ncial assets under IAS 39 to t… …arrying am… …on transition to IFRS 9 on 1 Janua… 2017.

Old

New

Category & class

In milli…	IAS 39 carrying amount at 31 December 2016	Reclassifica-tion	Remeasure-ment	IFRS 9 carrying amount at 1 January 2017
Financial assets				
Amortised cost				
Cash and cash equivalents:				
Brought forward: *Loans and receivables*	1,850			
Remeasurement			(1)	
Carried forward: *Amortised cost*				1,849
Trade and other receivables:				
Brought forward: *Loans and receivables*	22,485			
Remeasurement			(158)	
Carried forward: *Amortised cost*				22,327
Corporate and debt securities:				
Brought forward: *Held-to-maturity*	2,256			
Remeasurement			(13)	
Carried forward: *Amortised cost*				2,243
Total amortised cost	26,591		(174)	26,417

Source: KPMG – Illustrative disclosures – Sep 2017

Additional disclosure

On the initial adoption date

- **Par.24:** Qualitative information
  - Where classification changed - how classification requirements were applied
  - Reasons for designation / re-designation of those at FVTSD
- **Par.26:** Reclassified out of FVTSD to amortised cost
  - Effective interest rate at the date of the initial adoption date
- **Par.27:** Disclosure per par.23 - .25 must permit reconciliation between
  - Measurement categories in GRAP 104 (2009) and GRAP 104 (2019)
  - Class of instrument

Additional disclosure

On the initial adoption date

- **Par.28**: Enable users to reconcile
  - Ending impairment balance per GRAP 104 (2009) with opening balance GRAP 104 (2019)
  - Per measurement category per GRAP 104 (2009) and GRAP 104 (2019)
  - Show separately – the effect of changes in the measurement category
- **Par.29**: Not required to disclose the line item amounts that would have been reported for:
  - What amounts would have been under GRAP 104 (2019) for prior periods
  - What amounts would have been under GRAP 104 (2009) for the current period

Additional disclosure

At the reporting date

- **Par.25:** Financial assets or liabilities reclassified out of FVTSD to amortised cost
  - FV at the **reporting date**
  - Disclosure is not required in the following reporting periods

- **Par.26:** Reclassified out of FVTSD to amortised cost
  - Interest revenue or expense for the period
  - Where impractical to apply the effective interest method retrospectively – disclosure is required until the **derecognition date**
  - Otherwise, the disclosure is not required in the following reporting periods

Additional disclosure

At the reporting date

- **Par.30**: If it is impracticable to assess the modified time value of money element
  - Disclose the carrying amount **at reporting date**
  - Disclosure is required until **derecognition date**

- **Par.31**: Impracticable to assess impact of FV of a prepayment feature
  - Disclose the carrying amount **at reporting date**
  - Disclosure is required until **derecognition date**

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