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IAS 10 *Events after the Balance Sheet Date*

The objective of this Standard is to prescribe:

- (a) when an entity should adjust its financial statements for events after the balance sheet date; and
- (b) the disclosures that an entity should give about the date when the financial statements were authorised for issue and about events after the balance sheet date.

The Standard also requires that an entity should not prepare its financial statements on a going concern basis if events after the balance sheet date indicate that the going concern assumption is not appropriate.

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the balance sheet date (*adjusting events after the balance sheet date*); and
- (b) those that are indicative of conditions that arose after the balance sheet date (*non-adjusting events after the balance sheet date*).

An entity shall adjust the amounts recognised in its financial statements to reflect adjusting events after the balance sheet date.

An entity shall not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date are material, non-disclosure could influence the economic decisions of users taken on the basis of the financial statements. Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the balance sheet date:

- (a) the nature of the event; and
- (b) an estimate of its financial effect, or a statement that such an estimate cannot be made.

If an entity receives information after the balance sheet date about conditions that existed at the balance sheet date, it shall update disclosures that relate to those conditions, in the light of the new information.