KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,

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COLLEGE OF ARTS AND SOCIAL SCIENCES

DEPARTMENT OF ACCOUNTING AND FINANCE

SCHOOL OF BUSINESS

CORPORATE COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARD OF LISTED BANKING FINANCIAL INSTITUTIONS IN GHANA

BY

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DECLARATION

I hereby declare that this dissertation is the result of my original work and that no part of it has been accepted for the award of another degree in any university or elsewhere except where due acknowledgement has been made in the text.

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ABSTRACT

Is been 7 years since Ghana adopted International Accounting Standard(IAS) / International Financial Reporting Standard (IFRS), in place of Ghana National Accounting Standard for all listed companies of which banks are of no exception. There have existed compliance gap by listed companies who claimed compliance. This has been supported by previous research. This study, investigated the extent of compliance with IFRS disclosure requirements of listed banks. Additionally, the study sought to identify factors associated with the level of compliance. The study resorted to secondary data which were obtained from annual reports of the listed banks. The period earmarked for the study was from 2010 to 2014. These years were chosen since much work has not been done on compliance for the years under review for banks on the Ghana Stock Exchange (GSE). The population for the study was listed firms on GSE. The sample size was the banking financial institutions with a total of nine banks, however, sample of six (6) banks were chosen using the judgemental sampling technique. This technique was used since it allowed for exercising judgement to select cases that enable the researcher achieve the objective of the study. Based on the sample of the six (6) listed banks for the 5 years period, an average of 83.7% compliance with IFRS disclosure requirements was made, with profitability and size statistically associated with the level of compliance. As the forces of globalization allow countries to open their doors to foreign investment and business expansion across borders, the need for a common reporting has come to stay and it has therefore become eminent to ensure full compliance with the use of the IFRS. Full compliance can be achieved if there is strict regular monitoring by the regulatory bodies such as (Bank of Ghana, Security and Exchange commission, GSE). Also ICAG which is the solely responsible for regulating the accounting profession should ensure that regular training are organised for auditors in order for them to get the practical update on the standard to ensure compliance.

DEDICATION

I dedicate this work to the sovereign Lord for his providence throughout my study in Kwame Nkrumah University of Science and Technology

Another sincere dedication goes out to my parents, Mr and Mrs Ansah for their sacrifices in my quest to achieve higher academic laurels.

I say God richly bless you.

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TABLE OF CONTENT

LIST OF FIGURES

LIST OF TABLES

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizations for the past years have prepared their financial statement in agreement with standards idiosyncratic to the country, popularly known as National Generally Accepted Accounting Practice (GAAP). The reason was that common accounting standards and disclosure globally didn't exist. The global investment community had an impediment because of the absence of common standards. Accounting principles that looks foreign and the absence of disclosure can debar investors from spreading their portfolio globally in an optimum way (Eitemann, S. et al, 1992).

The need arose for the use of a uniform international reporting language (Flynn, 2008). Universality and comparability of financial reports became imperative. The idea was embraced and swiftly gathered pace which have made companies to have access to the global financial market and it has brought enormous contribution to the domestic economic setup.

In recent years, many countries world-wide adopted the International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs) with the aim of making companies disclose more quality information in their annual reports.

IFRS is the globally applied accounting system contributing greatly to the operations of global capital markets as well as the international financial capitalism (Capron, 2005).

The purpose of IFRS is '. . . to enhance transparency to outside investors mainly through consistent [emphasis added] standards and enhanced disclosure. . .' (IASB and FASB, 2008).

IFRS adoption world-wide is one of the most noteworthy regulatory changes in the history of accounting. The speed in globalization of financial markets has also brought about the need for comparing financial reports globally.

Bodies such as International Accounting Standards Committee (IASC) now International Accounting Standards Board (IASB) has since its establishment, played significant role through pronouncement of a number of standards that seeks to guide accountants globally on financial statement preparation and presentation (Larson and Street, 2004).

This also led to the facilitation of the reproduction and diffusion of specific accounting and accountability practices across the world by notable global organizations such as the World Bank [WB] and International Monetary Fund [IMF] (Chand, and White, 2007; Graham, and Neu, 2003; Nolke, 2005; Richardson, 2009; Unerman, 2003; Lehman, 2005).

Most of the countries in Asia and Europe have adopted these standards and those with connection with listed companies in the United States not long before must comply with International Financial Reporting Standards.

Consequently, these world-wide institutions have pushed for the adoption of IFRS by developing and transitional countries as part of their restructuring programmes. This move has been regarded as essential to command the confidence of investors (Mir, and Rahaman, 2005).

Currently, over 12,000 firms in close to hundred countries have implemented IFRS.

Public companies in the said countries are either required or permitted to use IFRS as basis for preparation of financial statement. A good number of such countries have domestic standards which are IFRS based (AICPA backgrounder, 12/11/08).

Harmonizing accounting standards has been noted as advantageous since the use of uniform rules and principles to present external financial statement has a part in achieving consistent and transparent reporting at the global level. (Bader A. et al, 2002). Many developing and developed countries have also embraced IFRSs (Demir et al., 2013: 74). On the 1st January, 2007, Ghana as a country wanting to promote increasing growth of her economy in the private sector, adopted IFRS in substitute of its obsolete Ghana National Accounting Standards (GNAS). Following the Reports on Standards and Codes [ROSC] issued in March 2006 by the World Bank, Ghana expected compliance from all its entities with public interest (insurance, banks and companies listed on the Ghana Stock Exchange) to submit to the IFRS.

Currently, Ghana is numbered as one of the fifteen nations in Africa to have adopted IFRS (Zori, 2011; PricewaterhouseCoopers, 2010).

There has been little study on the compliance with IFRS of Ghanaian listed banking financial companies. Research has shown that total compliance has still not been achieved among the listed banking financial companies in Ghana.

1.2 Statement of Problem

According to (ROSC, 2004) there have existed compliance gap by companies' who claimed compliance. Compliance gaps refer to the differences between actual practice and applicable standards. Recent research has provided substantial proof that companies claiming to have adopted the IASs are not complying with the standards (Street and Gray, 2001; Glaum and Street, 2003). International Federation of Accountants (IFAC) has also seen that auditors stating that financial statement comply with IASs when indeed the notes and accounting policies disclosure something else (Cairns, 1997).

It is in reference to this point that the study wanted to investigate the extent of compliance with IFRS by all listed banking financial institutions on the GSE and to come out with the factors that can influence IFRSs compliance. Though all listed firms were mandated to adopt IFRS in 2007, not all the listed firms after the migration have wholly complied. Ghana has also had its share of this non-compliance with IFRS by companies' after the mandatory adoption. The banking financial institutions were of no exception.

1.3 Objectives of the Study

With regard to compliance gaps identified with companies who claimed voluntary compliance prior to the adoption of the IFRS, the objectives of the study are to:

1. investigate the extent to which listed banking financial institutions comply with the disclosure requirements of the adopted IFRS.
2. examine the impact of corporate characteristics on disclosure levels of listed banking financial institutions.

4.1 Research Questions/ Propositions

1. What is the extent of compliance of listed Banking Institutions to the disclosure requirements of IFRS/IAS?

2. What is the impact of corporate characteristics on disclosure levels of listed Banking Institutions?

Having to outline studies to suggest several corporate attributes that might be associated with the extent to which banking financial institutions comply with IFRS disclosure requirements, the following attributes were chosen for the study: leverage, profitability, multiple listing status (cross listing), company size and auditor type.

These company attributes were selected on some basis that:

1. Adequate data should be presented in the annual reports of the companies especially on disclosure or guides obtainable from the Ghana Stock Exchange (GSE) for the measurement of the attribute.
2. There had to be a sound theoretical reason for expecting attribute to be associated with IFRS compliance as reviewed theoretically and empirically.
3. Attributes should be capable of measurement in principle and in reality.

Considering the selected characteristics, the following propositions were identified for testing to establish the level of relationships.

1. Profitability is positively associated with the level of compliance with IFRS disclosure requirement of Ghanaian listed banking financial institutions.

2. Company size is positively associated with the level of compliance with IFRS disclosure requirement of Ghanaian listed banking financial institutions.

3. Leverage is positively associated with the level of compliance with IFRS disclosure requirement of Ghanaian listed banking financial institutions.

4. Type of Auditors is positively associated with the level of compliance with IFRS disclosure requirement of Ghanaian listed banking financial institutions.

5. Multiple listing status is positively associated with the level of compliance with IFRS disclosure requirement of Ghanaian listed banking financial institutions.

1.5 Relevance of the Study

The claimed that total compliance with IAS/IFRS having been achieved by some listed banking financial institutions is unconfirmed. The auditing and accounting practices in Ghana has institutional setbacks in compliance, monitoring, regulation and ensuring enforcement of the standards (report on the Observance of Standards and Codes, 2004).

Therefore, seeking answers to the research questions is important for understanding whether compliance with IFRS is being achieved and for identifying factors that influences the compliance level among the listed banking companies. The regulators: Bank of Ghana, Institute of Chartered Accountants Ghana (ICAG), GSE and Securities and Exchange Commission are all likely to be interested in non-compliance by the listed banking companies. The identification of non-compliance is a serious omission and when identified by these regulators could be strictly spoken against and relevant issues raised on ameliorating the situation.

The findings provide existing and potential overseas and domestic investors an unbiased assessment of the extent of compliance with IFRS in Ghana for listed banks. More so since developing countries have in a way been neglected in terms of disclosure studies this research adds to literature on disclosure compliance studies in developing countries.

1.6 Scope of the Study

This study assessed the compliance level of IFRS disclosure requirements in relation to Ghanaian banking financial institutions listed on the Ghana Stock Exchange (GSE). The study further investigated the company characteristics which are associated with the level of disclosure. The chosen period for the study was from 2010 to 2014 and was also limited to six banks. The years 2010 to 2014 were chosen because not much work has been done for banks for the years under consideration. Previous studies on banking institutions in Ghana are conducted using one or two periods, however this study aimed to come out with a compliance level putting together all the years stated (that is compliance over trend).

1.7 Organisation of the Study

The study consists of five chapters. The organization of each chapter is as follows: Chapter one introduced the study. It covered the background of the study, statement of the problem, the objectives of the study, research questions/propositions, relevance of the study, scope of the study, organization and limitation of the study. Chapter two presented the review of related literature on the International Financial Reporting Standard, Ghana Stock Exchange, financial institutions, disclosure compliance and identification of corporate attributes associated with disclosures. Chapter three looked at the method used to conduct the empirical study. The chapter described how the data were collected and the expected research method used. Chapter four concerned itself with the presentation of findings and analysis.

Chapter five which is the closing chapter gave summary of the findings, recommendation and draws conclusion.

1.8 Limitation of the Study

The study is limited to only banks in the financial industry of listed firms on the Ghana Stock Exchange. Because of time constraint other companies which are listed in different industry were not considered for the study. The researcher had short period within which to complete the study and therefore was unable to factor all the companies listed in Ghana. The study is basically meant for use by future researchers. Regardless of the constraint, the researcher collected adequate data to provide reliable outcome.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Chapter two is concerned with the review of materials in books, articles, journals and other sources where worthwhile information can be gathered for the study. An attempt is made such that some associated literature that underpins the study is reviewed. The chapter commences with the history of the Ghana Stock Exchange and the adoption of IFRS both globally and locally. It also looked at financial institution, corporate characteristics on voluntary and mandatory compliance. The chapter finalises the reviewing of literature on regulatory institutions tasked to monitor and enforce IFRS compliance and disclosure requirement.

2.1 History of Ghana Stock Exchange

The Ghana Stoc**k** Exchange (GSE) is a part of the regulatory institutions of the accountancy practices of companies listed in the country. The whole notion of considering the establishment of a Stock Exchange in the country was kept in papers about twenty years before its execution. Some people suggested the establishment of the Stock Exchange in 1968 in Ghana. Before 1968, the idea of putting up a stock exchange had been reasoned through in 1963by the legislature, in the Companies Code, 1963 (Act 179) which was then under review.

Parliament in the year 1971, enacted the Stock Exchange Act, 1971 (Act 384) to regulate the trading of shares, bonds, stocks and other financial instruments as well as the establishments and its operations of stock exchanges in Ghana. A serious move was made by the government when it set up 10 member national committee which was chaired by Dr G. K. Agama, who by then was the Governor of the Bank of Ghana. The committee was tasked to put together all work associated to the stock exchange project and also to spell out how the establishment was to come about.

In July, 1989 the incorporation of the stock exchange came into force as a private company limited by guarantee under the Companies' Code of 1963. The GSE under section one of the Stock Exchange Act received the authority from the Secretary for Finance and Economic Planning to run as an exchange house and to exercise its powers thereon.

The Exchange received recognition as an authorised Stock Exchange under the Stock Exchange Act of 1971 (Act 384) in October, 1990. On November, 1990 and April, 1994 trading activity started and conversion from a private company into a company limited by guarantee, public were done respectively.

The Security Law through its amendment stages has repealed the Stock Exchange Act under which permission was given to the Ghana Stock Exchange (GSE) to operate. However, Security Industry Law (Amendment) Act, 2000 (Act 590), section 14 (1) gave recognition to the GSE and guaranteed its perpetuating existence. Both non-resident and resident foreigners in Ghana can assess the GSE.

Within the African continent, the GSE is considered one of the pacesetting exchanges in the region. This came about when Ashanti Goldfields Company Limited which is one of the grandiose and affluent gold mines globally was included on their exchange. From 1993 to date, the GSE is kept in the same class with the best stock exchanges in the evolving markets globally in the light of index returns. In 2003 there was a confirmation in the position of the GSE as one of the best stock markets performing world-wide, when it recorded an index return of144% and 157% in terms of US dollars and the domestic currency respectively (Ghartey,2004).

2.2 Benefits of Listing on the Stock Exchange

There are enormous benefits that accrues to the company that attains a public listing of their shares on the stock exchange

1. Easy access to new and long term capital

When a company is listed, it is privileged to raise new and long term capital with ease from the stock market. This is done by issuing securities to the general public. Been listed helps entities to get connected to individuals who in totality have substantial amount of idle funds to invest.

2. Freedom to spread investment

Existing shareholders he may have the liberty to spread their investment when the company is listed.

3. Improving the financial standing and the status of the company

It is obvious that a company newly listed may have a remarkable improvement in its overall financial statement. This is because; companies listed can easily source for funds and boost its equity funds substantially. With the injection of capital into the company, there will be an improvement in its financial statement. .

4. Transfers of shares

Companies deemed private restricts the rights to transfer their shares. Shares in such private companies are generally sold to other existing shareholders. On the other hand, shares in the public companies can be transferred freely. These are made possible by the stock exchange.

2.3 Introduction to Accounting Standards

In the late 1960's, public scandals became rampant where Amalgamated Electrical Industry (AEI) was taken over by General Electrical Company (GEC).This made it imminent to bring into existence a standard-setting body and also the need for more broad regulations. The first standard, Statement of Standard Accounting Practice (SSAP) was published in 1970 in the United Kingdom. Before this, limited financial reporting requirements for companies were in existence.

On the 29th July, 1973 International Accounting Standards Committee (IASC) was inaugurated. This organization was formed to highlight the need for small countries use standards with which they could create their own. IASC from the starting was mandated to progress with public interest as a guiding concern. IASC was tasked to formulate and to put out international accounting standards to be used in the presentation of financial statements and to ensure that world-wide the use of the statements promoted.

In 2001, this group was replaced by International Accounting Standards Board (IASB). Between this period 41 IASs were published. The standards were on a larger part drafted by people from various countries world-wide who had wide background of rich experience

London based IASB is a private sector standard-setting body for non-government entities and entities that are not profit oriented. It has fourteen members who are chosen considering their expertise and the continental region from which they come from. The structure of governance is not different from the United States Financial Accounting Standards Board (FASB). The reports of IASB are straightly sent to the IASC Foundation. The current chair of IASB and IASC Foundation are Sir David Tweedie and Gerrit Zalm respectively.(AICPA, backgrounder, 12/11/08, AICPA, and online video 12/09/08).

As a consequence of growth of global markets, challenges arose where submissions and options raised by minor standard setting countries were not welcomed. Major problems emerged with multinational made to prepare non-identical sets of financial statement for diverse jurisdictions. Comparison across countries became challenging. The wish of multinational companies having a global reporting language and a single set of financial statement, the IASB and FASB delivered the Norwalk Agreement in 2002 to that effect. This consensus triggered the desire to advance a set of high quality standards that was aimed to increase efficiency, present investors with better information and decrease cost.

The main body for the new structure is the International Accounting Standards Board (IASB), which is solely tasked to establish IFRSs. Elements of the structure are the International Financial Reporting Interpretations Committee (IFRIC), the Trustees of the IASC Foundation, and the Standards Advisory Council (SAC). At the first meeting held in London by IASB in April, 2000, a decision was taken to keep all the standards by IASC in forces until they are withdrawn or amended. Consensus was also arrived at that new IASB standards would be known as IFRSs. Many IFRS have been introduced to replace the IAS.

Starting from 2005, the European Union (EU) resolved that its companies listed were to comply for the preparation and presentation of consolidated financial statements with international standard. In 2006, the IASB and FASB teamed up on key projects. The two main actions taken by the Securities and Exchange Commission during 2007 expedited the timeframe of conversion from Generally Accepted Accounting Principles to IFRS.

In November 2007, Securities and Exchange Commission made a Final Release which permitted external countries filing in the United States to prepare for submitting financial statements in conformity with IFRS without reconciliation to Generally Accepted Accounting Practices.

IFRS, as known today, is made of twelve (12) IFRS and forty-one IAS, of which some have been amended. Only 28 of the IAS are functional. During the pronouncement process, a strict code of due diligence is employed as with FASB. On consideration of issuing a fresh standard by IASB, previous FASB debates are considered on the on the same topics (AICPA online video, 12/09/08). Public companies are either permitted or required by authorities in the country to use IFRS as the basis for preparing financial statement. As at now countries that have IFRS in place includes New Zealand, Australia, Canada, Israel and the European Union states. Japan has taken efforts to adopt it in the near future (AICPA, 2008).

It should be noted that IFRS now embodies the standards and its approved interpretations by the IASB, and also IAS and interpretations issued on IAS the IAS proper by the IASC.

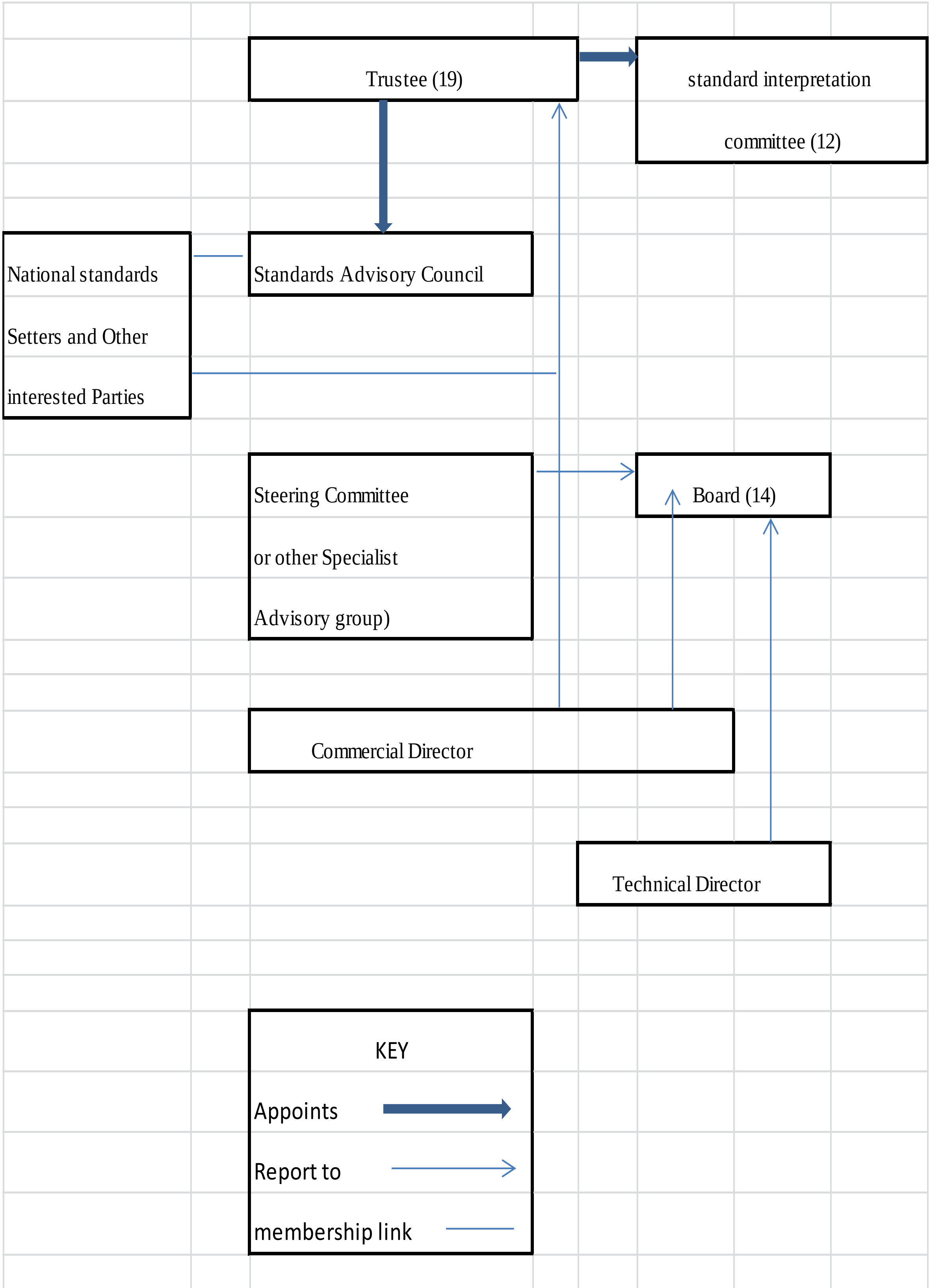


Figure 2.1 The Revised Structure of IASB

Source: Oliverio (2001)

2.4 International Accounting Standards Board (IASB)

Under the new structure, IASB is the main body. The composition of the board is fourteen full time council members chosen from twelve different countries and has varying professionals. The members of the Board are appointed by and owe accountability to the IFRS Foundation Trustees who are expected to consider the best available combination of technical expertise and diversity of global and market experience. IASB primarily uses fundraising as the medium to raise its fund. The basic goal of the IASB is to promulgate IFRS.

The main duties of the Board are as follows:

i. Prepare and issue Exposure Drafts and IFRS, both of which incorporate any dissenting opinions and Final approval of Interpretation by the Standard Interpretations Committee.

ii. publish Exposure Draft on all projects and Draft Statement of Principles or other discussion document for public comment on major projects

iii. exercise total judgement over the technical agenda of IASC and over project assignments on technical issues, in organising the conduct of its work, the Board may outsource detailed research or other work to national standard setters or other organisations,

iv. form Steering Committees or other types of specialist advisory groups to give advice on major projects,

v. consult the Standards Advisory Council on major projects, agenda decisions and work priorities,

vi. Consider undertaking field tests (both in developed countries and in emerging markets) to ensure that proposed standards are practical and workable in all environments, although there is no requirement to undertake field tests for every project. (Delliote IFRS, 2006)

The principal qualification for Board membership is technical expertise. Trustees of the IASB body do not engage in technical issues, however; they are accountable to the monitoring board. Trustees appointment can be renewed three years after a term of service.

There is an expectation from each Trustee to understand and be sensitive to global matters pertinent to fruition of such a global body responsible for the production of set of international standard which has a high quality world-wide use in capital markets and by other interested users.

There is a stated quota from each region. Asia, Europe and North America has six trustees each representing them, one person from Africa specifically South Africa, a candidate from South America and two from anywhere in the world. (Delliote IFRS, 2006)

IASB has half of its fourteen total membership having the duty with one or more local standard-setters. In terms of the technicalities the Board has total discretion.

Concerning Exposure Draft and IFRS the Board decides the bases for the results. The Board can also consider the need to hold public briefing or may even check field tests for project executed notwithstanding the fact that there is no requirement. The final Interpretation of the IFRIC and publishing of Exposure draft may require the authorization of more than half of the fourteen Board members. However, the requirement states that a simple majority of members present during a meeting holds for decisions on discussion paper. With the exception of August, the IASB meets five days each month in the year additional meetings are held as and when urgent. Three meetings are held with the Standards Advisory Council per year. Several meetings also take place in the year with the representatives of its liaison standard-setting bodies (Kirk, 2005).

2.5 First Time Adoption (IFRS 1)

In June 2003, the first IFRS standard, IFRS 1 was issued, with an effective take off on or after 1st January, 2004. Clara et. al., (2005) hinted that the first time an entity applies an IAS, it must indicate an unambiguous compliance statement. There should not be any exemptions. There should be complete compliance. The company must make sure that all elements in the financial statement are well recognised as required by the standard and must not recognise those ones which are not permitted by the standard.

2.6 IFRS Adoption in Ghana

The Ghana National Accounting Standards (GNAS) was used prior to the adoption of IAS/IFRS. The Ghanaian Standard in a part comprised of UK accounting standard and pre- IAS/IFRS.

In the year 2004, a review was conducted by the World Bank on auditing and accounting practices in Ghana which was presented in its Report on Observance of Standards and Codes (ROSC). The International Federation of Accountants (IFAC) also championed the implementations of IFRS and made it compulsory for member nations in the year 2005 of which Ghana is of no exception. This global standard became relevant to be hooked onto since presenting a reliable financial statement is a need for sourcing of capital from local and international financial institution.

In 2007, the acting Minister of Finance and Economic Planning of the country, Mr Kwadwo Baah Wiredu pronounced the introduction of Ghana's adoption of IFRS. This was partial in response to the report by ROSC issued in 2006 indicating that the auditing and accounting practices in the country was faced with the challenge of institutional weakness in ensuring enforcement and compliance of standards. The World Bank on that note suggested that Ghana should adopt IFRS.

Ghana formally, adopted IFRS wholly calling on all companies in Ghana whether listed or not to comply with the standard. It was the adoption that official marked the move from the use of our Local Accounting Standard to IFRS which is currently embraced and used as a uniform benchmark for reporting internationally.

2.7 Financial Institutions

Financial institutions are businesses which offer multiple services in banking and finance. The services customers receive may include savings and checking accounts, loans, investments, and financial counselling. In financial economics, a financial institution acts as an agent that provides financial services for its clients

Financial institutions generally fall under financial regulation from a government authority. Even here, however, the development of intermediaries tends to lead the development of financial markets themselves.

Some of the advantages that accrue to a consumer for using financial institution encompass cost savings, convenience and security.

2.7.1 Types of Financial Institutions

Financial institution may be

1. banking and
2. non-banking

2.7.2 Non- Banking Financial Institutions (NBFI)

Financial institutions that are Non-bank are those institutions that do not meet the legal definition of a bank however offer banking services and are also without a banking license. Notwithstanding the point raised, their operations are conducted under the bank regulation. The situation turns to be different in some jurisdiction. A company can operate as a bank in New Zealand and not have an issued banking license.

Examples of NBFI's are as follows:

1. investment company
2. leasing companies
3. insurance companies
4. mutual fund
5. brokerage houses

2.7.3 Functions of Financial Institutions

Financial institutions act as the intermediary for both debt and capital markets. They have a duty to move idle monies of lenders to companies in need of such funds. The flow of cash through the economy has been made possible by the emergence of financial institutions. Financial institutions permit spreading of risk. In this case risk of individual lenders is reduced by pooling (Nyarko, 2005)

2.7.4 Banking Financial Institutions

A bank is an institution that takes deposit and the monetary authorities of the nation has given it licensed to operate (the Bank of Ghana) to keep depositors money and also undertakes to repay such deposit on notice.

Types of banks include

1. Commercial bank
2. Savings bank
3. Central bank
4. Investment bank
5. Micro finance bank
6. Islamic bank
7. Specialized bank
8. Non-banking financial company

2.7.5 Characteristics of Banking Financial Institutions

Banking financial institutions have what distinguishes them from Non-banking financial institution. Some of the features are as follows:

1. Acceptance of deposits and savings as users of funds
2. Payment on demand
3. Investment as source of finance
4. Interest income
5. Payment on customers behalf

2.7.6 The Roles of Bank

In order to fathom the importance of process of intermediation, it is vital to examine what and how banks do. The functions of banks are to take monies (deposit) from those who have in surplus and lend the monies (loans) to those who need it. Deposits by nature are small in size, have extreme liquidity and low risk. Loans generally are large in size, have high risk and low liquidity. Banks stand in to address the needs of the borrowers and the lenders by executing the transformation function.

The transformation functions are as follows

1. Size Transformation

Generally savers are not willing to give out larger amounts of their money to borrowers. Lenders deposit money in small forms with the banks and the banks in turn give the money out as loan in a repackaged large size. Size transformation function executed by banks helps them to enjoy the benefits of economies of scale connected with cashing money and cashing out because they have access to a wide range of lenders than borrowers.

2. Time Transformation

Maturity transformation has to do with the time frame of the money. Banks gives loan to borrowers for medium and long term as compared to the short period that lenders deposited their funds. Banks liabilities are repayable at relatively short notice or on demand. On the flip side assets of banks are repayable in the long or medium term. They receive deposits for long period and borrow for short period. The inequality in the time frame can result in liquidity risk to the bank which is the problem of not been able to meet short term commitments when due. The onus lies with the bank to address that risk.

3. Transformational Risk

There is a risk that comes with borrowing. Chances are that not all money loaned may be paid. Lenders on the other hand desire to reduce their risk by placing their fund in safe hands. Banks minimize their risk of contracted borrowings by diversifying their investments, assembling risks, making risk assessment and keeping an amount as a safeguard towards abnormal losses.

2.8 Regulatory and Enforcement Bodies

The disclosure and financial reports of Ghanaian listed banks are mainly regulated by the Companies Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738), Securities and Exchange Commission Regulations 2003, Ghana Stock Exchange Membership Regulations 1991, Registrar of companies and the Institute of Chartered Accountants (Ghana).

There is a level of expectation for listed banks on the GSE to make full disclosure in order to help comparability of financial information and increase market efficiencies. Additionally, the Bank of Ghana in order to ensure transparency sent circulars to banks and financial institutions entreating them to make compulsory disclosure of important accounting policies and other relevant information.

The idea looks superb since the use of the finest accounting standard will not be significant even if there is no effective enforcement (Hodgdon, et al., 2009; Hope, 2003). Issue of compliance and enforcement has become imperative while the IASB and other regulators are enthralled.

The need has risen for the development of institutional mechanism to ensure and encourage compliance with IFRS. Some countries are integrating the phenomenon on a gradual base whilst others have adopted it wholly (in the case of Ghana). The importance the adoption present cannot be over emphasized and it also comes with a relative ease. Notwithstanding the advantages, the adoption looks too costly and more so the development of the institutional mechanism to ensure implementation and monitoring of compliance is intricate.

International standards on disclosure are Global disclosure standards are at peak only if enforcement and monitoring of compliance are attended to by efficient institutions (Healy and Palepu, 2001). It can be argued that, authorities could enforce and monitor compliance using regulations. SEC as a regulatory body in an attempt to increase disclosure of listed banking financial institutions issues guidelines and notification on varying issues.

Regulatory authorities permitted to enforce and regulate disclosure requirements of the listed companies in their yearly reports (Mutuwaa, 2010). Companies who failed to comply could be made to suffer stringent punishment.

“Strict regulation is the one allows only one outcome, has an adequate enforcement mechanism, and sanctions for non-compliance” (Owusu-Ansah and Yeoh, 2005, p.92)

2.9 Corporate Characteristics that Influence Mandatory and Voluntary Compliance

Previous research on how corporate attributes influences disclosure level on yearly reports of organizations is examined. Some of the attributes include are liquidity, company size, board composition, profitability, type of industry, listing status, type of auditor, , leverage, ownership dispersion, age and internationality (Hassan et al, 2006; Street and Bryant, 2000). In order to avoid agency conflict, management of big organization are compelled to disclose more information, since they have higher agency cost (Diga, 1996;Chow and Wong-Boren, 1987).

Inchausti (1997) reported that when management of profitable organizations make detailed disclosure, it would give rise to investor confidence and aid them to have better compensation. This he said is the Agency theory. The World Bank charged the big audit firms to refuse to append their name as auditors when a company fails to comply with IFRS in the yearly report (Street and Gray, 2001).

Wallace et al (1994) postulated third parties receive disclosure of identical information from organizations in the same industry. Owusu-Ansah (1998) contends that firms that are young firms make less disclosure since they may not have much to disclose about past operating history the story looks different for older organizations that use disclosure to have good competitive status. For companies to increase their chances of assessing funds and mitigating cost of monitoring, they are expected to increase their disclosure especially if it is listed on the stock exchange.

2.10 Compliance with IFRS Required Disclosure

Previous research indicated non-compliance with the disclosure requirement of the IAs/IFRS in variety of areas (Street and Gray, 2002; El-Gazzar et al., 1999; Tower et al., 1999), and other research came out with challenges in IFRS/IAS. These problems were observed in areas where the accounting standards were voluntarily used or had no subjection to national enforcement (Street, et. al., 1999; Nobes, 1990; Tower, et al., 1999).

Attention came on how accounting was developing as a practice and theory in the globalized environment. That inspired researchers attention in IAS/IFRS adoption (voluntarily and mandatory) worldwide. Previous studies result recommended that there is a decline in information asymmetry and enhance the excellence of the disclosed accounting information (Akman, 2011; Daske et al., 2008; Christensen et al., 2008 and Hodgdon et al., 2008). Enhancing the excellence of disclosure of accounting information makes way for one to assess capital easily and also minimises the mean rate of return

A thorough research work has been done in developing and developed nations to assess disclosure level of companies in both nonfinancial and financial companies. (Kahl and Belkaoui, 1981; Singhvi and Desai, 1971; Akhtaruddin, 2005; Wallace, 1987; Malone et al., 1993; Cerf, 1961; Hossain et al., 1994; Craig and Diga,1998; Buzby, 1974; Ahmed and Nicholls, 1994; Cooke, 1989a, 1989b, 1991, 1992, 1993; Wallace and Naser, 1995; Haniffa and Cooke, 2002; Inchausti, 1997;; Hossain, 2000,2001).

Disclosure level on compliance is smaller in developing nations compared to those in developed nations such as Germany (0.81; Glaum and Street, 2003), Australia (0.94; Tower, et al., 1999), and Switzerland (0.74; Street and Gray, 2001). More so, compliance measurement of developing nations is lower than that of countries like Switzerland (0.92) and Germany and; Street and Gray, 2001). The above observation tells that developed nations have a motivation to comply than those in the developing region and it is imperative for enhancement in enforcement and monitoring mechanism in the developing countries of which Ghana is of no exception.

There have been factors that have kept developing countries disclosure at a lower side. There is a conclusion drawn that companies with US listing have a larger disclosure level. The outcome aids the idea that, there is connection between disclosure level and listing status. Additionally, the opinion of the auditors and the statement of accounting policies in the footnote add up to improve disclosure levels. The above findings were drawn when the yearly reports of companies claiming to use IAS/IFRS were analysed in the year 1998 to establish the factors connected with disclosure level (Street and Bryant, 2000.

Companies that are cross listed also have higher compliance level as posited from investigating the connection between listing status and disclosure compliance (Glaum and Street (2003) Malone et al. (1993), Street and Gray (2001) and Street and Bryant (2000)

Watts and Zimmerman (1978) Holthausen and Leftwich (1983) argued that bigger companies are more likely to comply with accounting standards because they may want to avoid government intervention and also protect their image. Jensen and Meckling (1976) indicated that bigger organizations have intricate organisational structure and for that much higher agency cost and the use of disclosure can minimize information asymmetry among managers and the outsiders. The argument supplemented the concept of agency theory

Al-Shammari et al. (2008) added that there is a higher tendency for bigger firms to go global and have overseas investors, cross list and have foreign income. Al-Shammari et al. (2008) came up with a finding for examining the degree of compliance with IAS/IFRS companies of its member states in the Gulf Co-operation Council. The finding was that over the period 1996-2002 both disclosure and measurement improved.

The outcome concerning the connection between corporate attributes and disclosure level has been mixed. There are several instances that the relationship may be parallel. Belkaoui and Kahl (1978), Singhvi and Desai (1971), Wallace et al. (1994) and Wallace and Naser (1995) presented a proof of the connection between disclosure level and profitability. This finding is not similar to the work McNally et al. (1982), Cerf (1961), Dumontier and Raffournier (1998) and Inchausti (1997). Another mixed statement arose from the assertion that, manufacturing companies report more information compared to other types of companies Cooke (1991, 1992) which was disagreed considering the findings of Inchausti (1997) that there is connection between disclosure level and industry. Globalised reporting language has come to stay and companies in all the countries which have adopted either voluntary or mandatory should accept, familiarise themselves with the standards and make full disclosure as such.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This section gives the procedure used to conduct the empirical research. This includes the research method, year of study, population, sample, variable definition spelling out the dependent and independent variables, determination and the basis for the selection of the IFRS/IAS. The chapter also expounds the development of the disclosure checklists and the discussion of its validity and reliability and end with the statistical analysis execution.

3.1 Research Method

There are varying research methods used to gather data such as survey, experiment and the use of secondary data. Secondary data was used for this research and it is where data already exist and it is also the most appropriate method. The research is aimed at testing propositions which are constructed to answer the research questions. The study explores the connection among five corporate characteristics and compulsory disclosures (the disclosed IFRS requirements) in Ghana. These attributes are profitability, type of auditor, liquidity, company size leverage, and multiple listing. Research which are explorative in nature bring on board numerous information as possible and open up to problem from different angles (Patel and Davidson, 2003).

The research is explorative, since the researcher plans to make known the degree to which publicly traded banking financial institutions have complied with IFRS, and also provide insight on the various approaches adopted by the regulatory institutions to check and ensure IFRS disclosure compliance is observed. The accounting data of listed banking financial institutions on the Ghana Stock Exchange which exist in their annual report was the information need. Secondary data are used because of the advantage of time saving and cost savings involved in data collection. More so secondary data technique are used since majority of previous researchers on disclosure compliance tend to use them.

3.2 Year of Study

The year of the study was from 2010 to 2014. These years were chosen since much work has not been done on compliance for the years under review for listed banking financial institutions and more so in times of the nation's economic downturn.

3.3 Population

The study has its population as all publicly trading companies on the GSE. For the periods chosen, 35 companies were listed on the GSE. Companies listed were used since investors decision is centred on publicly listed firms.

3.4 Sample Size and Sampling Technique

The banking financial institutions listed on the Stock Exchange are the target for the study. The reason is that banking is seen as one of the important sector in the economy. There were 9 banking financial institutions listed on the GSE. The researcher also considered banks since not much work has been done on full compliance on listed banks.

The researcher chose 6 listed banks for the study which were incorporated in Ghana and that represented the sample.

The sampling technique used to select the sample was judgemental sampling. Judgemental sampling is the sampling technique use by a researcher to exercise judgement to select cases that enable the researcher achieves the objectives of the study and more so to answer the research questions. This technique was also used because of its appropriateness for a small size sample.

Table 3.1 Sample Description

Population and Sample selection	Number of companies
Banking financial Institutions on the Ghana Stock Exchange Exemptions Sample of listed banks	9 3 6

3.5 Definition of Variables

In basic terms a variable represents a property of an event associated with a particular object (Ryan et al, 1992). Variables can be sub divided into dependent and independent. Predictions about changes in dependent variable is certain when the independent variable changes. Based on the research propositions, this study focuses on six major variables. The independent variables provide predictive power to predict the dependent variable in the disclosure index model. The research has defined these variables and has measured for them as follows.

3.6 Dependent Variables

The yearly reports of the listed banking institutions for year 2010 to 2014 provided the data for the index. The complete yearly report was read and data gathered by the researcher in a consistent coding manner. With consultation from prior studies there are two ways by which compliance measurement of IFRS mandatory disclosure can be done. The approaches are the dichotomous approach or unweighted index. The second approach which can be used is the weighted index, where, Cooke (1989) acknowledged that is can present an element subjectivity.

Unweighted disclosure index is the most widely embrace approach for coming up with disclosure compliance requirement by a company (Yeboah, 2005; Ali et al, 2004; Patton and Zelenka, 1997; Craig and Diga, 1998; Wallace et al., Spero, 1979; Cooke, 1996; Ahmed and Nicholls, 1994;). A checklist is that document employed by auditors to check compliance with IFRS of their clients. With this unweighted disclosure index, if an expected checklist item is disclosed, it is scored 1 but if not 0. Weights are given to items based on the perceptual difference in importance; not withstanding same weight can be assigned based on the reasons below:

1. Applying same weight eliminates subjectivity; ratings of items using judgements may give rise to non-identical weighting (Wallace and Naser, 1995; Owusu-Ansah and Yeoh, 2005; Owusu-Ansah, 2000).
2. Numerous studies conducted earlier are of the view that the results generated from the equal weighting approach are identical to other weighting systems (Firth, 1979; Zarzeski, 1996; Robbins and Austin, 1986; Prencipe, 2004; Chow and Wong-Boren, 1987).

3. There may be variation in assigning weights to similar items especially among users from different countries, since user preference are not known (Chong et al, 1983).

The disclosure index is tagged unweighted index since each checklist item is given equal treatment. This is different from the other situations where checklist items scored by researchers were premised on their personal judgement. This approach originally was constructed to measure compliance with both voluntary and mandatory disclosures. The approach has been applied by many previous researchers to measure compliance with IAS/IFRS compulsory disclosure (by Abd-Elsalam and Weetman 2003; Street and Gray, 2001; Street and Bryant, 2000; Hodgdon et al., 2008 and Glaum and Street, 2003)

Notwithstanding this disclosure index commonly used, the index has clear setbacks: there are variations in the number of disclosure items required by different standards. The items required to be disclosed for instance IAS 36 will be different from the item required by IAS 1. It is obvious IAS 36 has few disclosure items than IAS 1. For this reason, standards which demands that more items are disclosed are treated unequally with a standard that requires few items to be included.

In order to avoid this problem, Al-Shiab (2003; 2008) and (Street and Gray, 2001) employed the use of an alternative method called 'partial compliance unweighted index'. It is on this ground that the unweighted disclosure index approach was employed. However in an event where an item may not apply, the researcher scored it as "not applicable" (NA). The disclosure index was calculated to know the total compliance score for each company. The index on disclosure was ascertained by expressing the aggregated disclosed items over the highest possible score that is applicable to the company.

Equation 1

$$PC_k = \frac{\sum_{i=1} X}{A_k}$$

Where:

PC_k = the aggregate score of compliance for each company $0 \leq PC_k \leq 1$

X = the compliance level with each standard mandatory disclosure requirement

A_k = aggregate number of standards applicable for each company k.

Aggregate of these compliance scores (X) was expressed as the ratio of the aggregate numder number of standards applicable for each company k that is A_k

On the issue of the checklist of items, prior research studies on disclosure come up with non-identical disclosure indices. Previous researchers either constructed own checklist or adopted checklist developed by other researchers. The disclosure checklist may encompass either both voluntary and compulsory disclosure checklist at one side or solely voluntary checklist or compulsory checklist. Earlier in most IFRSs compliance studies (Hodgdon et al., 2009; Tower et al., 1999; Al-Shammari et al., 2008; Glaum and Street, 2003; Street and Bryant, 2000) the study used solely mandatory disclosure items to develop a checklist for the chosen IFRS/IAS, which are applicable to the Ghanaian banking financial institutions. The checklist was constructed premised on the IFRS requirement published by the IASB.

3.7 Independent Variables

Data for profitability, multiple listing status, company size, auditing firms and leverage were obtained from the yearly reports of the studied listed companies.

1. Company size:

   Measured as logarithm of revenue and logarithm of assets

2. Profitability:

   Defined as return on capital employed: Earning before tax and interest /capital employed

3. Leverage:

   Book value of total debt/(debt + equity)

4. Type of auditors:

   A variable 1 when the company is audited by any of the Big 4 auditing firms (Pricewatercoopers, Ernst and Young, KPMG, and Deloitte and Touche) company and 0 if not.

5. Multiple Listing:

   Designed to capture the cross listings and their potential implication on disclosure level. 1 if the company is listed on other overseas stock markets and 0 if not.

Table 3.2 Summary of Independent Variables

VARIABLE	PROXY
Profitability	Return on Equity = Earnings after tax and interest /shareholders fund
Multiple Listing	Dummy variable coded 1 = company listed on other foreign stock market(s), 0 = otherwise
Company size	Natural log (assets and revenue)
leverage	Written down value of total debt/(written down value of total debt + Equity value)
Type of auditors	Dummy variable coded 1 = auditor , Big 4 audit firm, 0 = any other

On the basis of the defined variables dependent and independent, an econometric multivariate linear model was generated for the research.

Equation 2

$$\mathbf{PC_k = a_o + a_1\ Company\ size + a_2\ Profitability + a_3\ Auditor\ Type + a_4\ Listing\ Status + a_5\ Leverage}$$

In more complex form:

$$PC_k = a_0 + a_1\ In\ (REV) + a_2\ In\ (TA) + a_3\ ROE + a_4\ Aud + a_5\ List + a_6\ Lev + _E$$

PC_k	=	Total Disclosure Score
REV	=	Revenue
TA	=	Total Asset
ROE	=	Return on Equity
Aud	=	Auditor Type
List	=	Listing Status
Lev	=	Leverage
$_E$	=	Error term

3.8 Selection of IFRS

The study looks at the degree of compulsory disclosure with IFRSs/IAS based on accounting practices seen in the financial statements, rather than by relying on companies claims of compliance with disclosure requirements as has been done in some previous studies (Murphy, 1999; Tara, 2004). So, in measuring the extent of compliance with IFRS mandatory disclosures, the set of standards to be included in the study had to be identified.

36 IFRS/IAS existed as at 31st December, 2013.. 28 of which are still IAS and 8 IFRS. The selection of the standards for the study was based on three criteria.

1. Relevance and applicability to the year of study
2. Applicability to the Ghanaian banking business
3. Relevance to study

IFRS/IAS STANDARDS

IAS 1 – Presentation of Financial Statements

IAS 2 – Inventories

IAS 7 – Statement of cash Flows

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

IAS 10 – Events After the Reporting Period

IAS 11 – Construction Contracts

IAS 12 – Income Taxes

IAS 14 – Segment Reporting

IAS 16 – Property, Plant, and Equipment

IAS 17 – Leases

IAS 18	–	Revenue
IAS 19	–	Employee Benefits
IAS 20	–	Government Grants and Disclosure of Government Assistance
IAS 21	–	The Effects of Changes in Foreign Exchange Rates
IAS 23	–	Borrowing Costs
IAS 24	–	Related Party Disclosures
IAS 27	–	Consolidated and Separate Financial Statements
IAS 28	–	Investments in Associates
IAS 29	–	Financial Reporting in Hyperinflationary Economies
IAS 31	–	Interests in Joint Ventures
IAS 32	–	Financial Instruments: Presentation
IAS 33	–	Earnings Per Share
IAS 36	–	Impairment of Assets
IAS 37	–	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	–	Intangible Assets
IAS 39	–	Financial Instruments: Recognition and Measurement
IAS 40	–	Investment Property
IAS 41	–	Agriculture
IFRS 1	–	First-Time Adoption of IFRS

IFRS 2 – Share-Based Payment

IFRS 3 – Business Combinations

IFRS 4 – Insurance Contracts.

IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations

IFRS 6 – Exploration for and Evaluation of Mineral Resources

IFRS 7 – Financial Instruments: Disclosures

IFRS 8 - Operating Segments

Table 3.3 Selection of IAS/IFRS

APPLICABLE IAS/IFRS	STANDARDS
Relevant IAS/IFRS	1AS 1, IAS 7, IAS 10, IA 12, IAS 16, IAS 18, IAS 19, IAS 23, IAS 24, IAS 28, IAS 33 , IAS 36 , IAS 38, IFRS 5 , IFRS 7 , IFRS 8.
Not Applicable to Banks	IAS 2, IAS 11, IAS 20, IAS 29, IAS 31, IAS 41, IFRS 4, IFRS 6
Ignored	IAS 14, IAS 17, IAS 21, IAS 32, IAS 27, IAS 39, IFRS 2, IFRS 3

IAS/IFRS in the relevant box were only selected for the study. These were what the researcher deemed very relevant to the study and that should not be seen as a limitation.

3.9 Developing the Disclosure Checklist: Validity and Reliability

A scoring card was constructed with much reference on IFRS/IAS requirement which should deal with the compulsory disclosure. There was a need to use judgement in deciding what disclosure item was relevant and for that much should be factored in the constructed checklist amidst the several items disclosed in paragraphs. Further, some standards make reference to disclosures required by other standard and accordingly there is the risk of duplication (Tsalavoutas et al, 2008).

In order to deal with the problem of arbitrarily allocating similar disclosure requirements to exact standards, standards which concentrated mainly with regulated issue were factored (Example can be made for, an exact requirements in line with the presentation of property, plant and equipment that is IAS16 were included but making sure not to repeat that same requirement which may also be included in IAS 1).

The validity of the content shows as to how the instrument sufficiently measures the concept of interest (Vlachos, 2001) In order to validate the checklist two detailed IFRS/IAS disclosure checklist were assessed from the websites of Ernst and Young and KPMG. The reason for using these checklists was to verify the completeness of the constructed checklist and to help to distinguish between disclosure and measurement items since the study was on disclosure. It helped to determine more efficient sequence for checking items. There was however a marginal variation in the checklist of the two accountancy firms. The researcher took the two checklists, picked the relevant items and constructed a checklist for the study.

3.10 Statistical Analysis

The multiple regression analysis of SPSS 21.0 software for data processing purposes was used with the dependant variable (disclosure compliance index) and five independent variables (company size, profitability, leverage, cross listing and type of auditors). The main statistical method used under the multiple regression in the testing was the step wise method. The major advantage of the method is the ability to optimise the econometric model by eliminating all variables that are statistically insignificant from the model. Therefore the outcomes and discussion were based on the outputs generated by the software.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF RESULTS

4.0 Introduction

The analysis of the data collected from the Ghana Stock Exchange along- side the financial statements of the selected financial institutions that were used for the study are presented in this chapter. The data analysis is done considering the purposes of the study. The study considered the degree to which listed banking financial institutions on the Ghana Stock Exchange comply with the disclosure requirements of the adopted IFRS in addition to identify the factors which are connected with the extent of compliance with the disclosed IFRS requirements.

4.1 Dependent Variable

In answering the first research question, to what degree do banking financial institutions comply with the disclosed IFRS/IAS requirement; information from the yearly reports of a sample of six banks that are listed on the stock market were used. In reference to Table 4.1, the dependent variable; disclosure compliance, had an average score of 83.7% implying a high level of compliance by the selected banks for the study. However, the results showed a minimum of 3.3% disclosure compliance and a maximum of 100% compliance by the six (6) banks.

Table 4.1: Overall Disclosure compliance

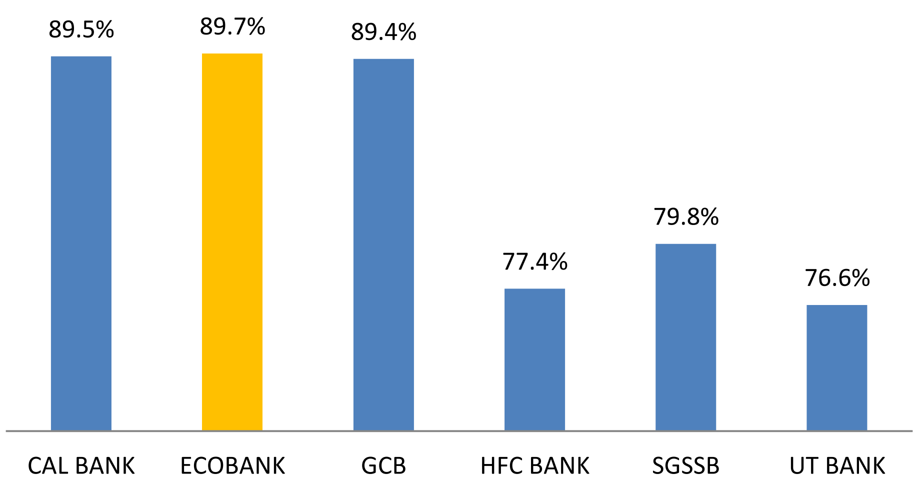
Mean	Standard Deviation	Minimum	Maximum
83.7%	24.9%	3.3%	100.0%

Source: Research results

4.2 Compliance Disclosure by Banks

With respect to the compliance disclosure by the banks, inference can be made from Figure 4.1 that, Ecobank had the highest disclosure compliance score of 89.7% which was followed by CAL bank (89.5) and GCB (89.4). UT bank had the minimum disclosure compliance score at 76.6%.

Figure 4.1: Compliance Disclosure by Banks



Source: Research results

4.3 Descriptive Statistics of Selected IFRS/IAS standards

Table 4.2 presents the descriptive statistics for the selected individual IFRS/IAS that were used in this study. As described in the table, the study used seventeen (17) IFRS/IAS as IAS1 (presentation), IAS7 (statement of cash flow), IAS10 (Events after reporting period), IAS12 (Income tax), IAS16 (Property, plant and equipment), IAS18 (Revenue), IAS19 (employee benefit), IAS 23 (borrowing cost), IAS 24 (related party disclosure), IAS28 (interest in associate), IAS 33 (interest per share), IAS 36 (impairment), IAS 37 (provisions, contingent assets and liabilities), IAS 38 (intangible assets), IFRS 5 (non- current asset held for sale), IFRS 7 (Financial Instrument) and IFRS 8 (operating segments).

Table 4.2: Descriptive Statistics of Selected IFRS/IAS Standards

Standard	Title	Percentage Compliance
IAS1	Presentation	97.4%
IAS7	Statement of cash flow	100.0%
IAS10	Events after reporting period	100.0%
IAS12	Income tax	97.5%
IAS16	Property, Plant and Equipment	92.2%
IAS 18	Revenue	100.0%
IAS 19	Employee benefit	74.4%
IAS 23	Borrowing cost	75.0%
IAS 24	Related Party disclosure	86.3%
IAS 28	Interest in associate	39.0%
IAS 33	Earnings per share	86.7%
IAS 36	Impairment	100.0%
IAS 37	Provision, contingent liabilities	93.0%
IAS 38	Intangible Assets	87.4%
IFRS5	Non-current asset held for sale	3.0%
IFRS7	Financial Instrument	98.0%
IFRS8	Operating Segment	92.8%

Source: Research results

From Table 4.2, inference can be made that statement of cash flow, events after reporting period, revenue and impairment were completely disclosed at 100%

compliance by all the banks selected for the study. Further, the results of the study explored non-current asset held for sale as the least disclosed IFRS/IAS standard at 3%.

4.4 Independent Variables

The following section discusses the results of the independent variables; Profitability (ROE), Leverage and the Size of the banks.

Table 4.3: Independent variables

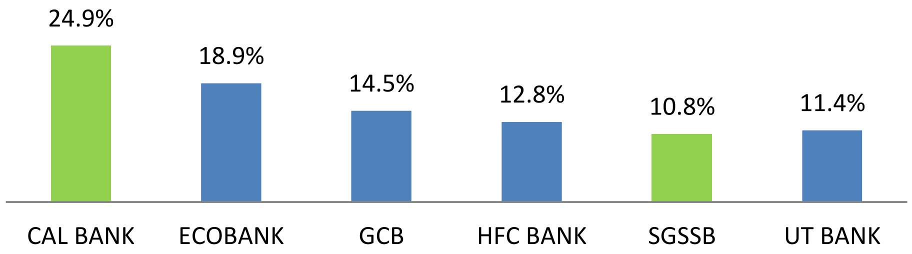
	Minimum	Maximum	Mean	Std. Deviation
ROE	.07583	.49177	0.155451	.11330632
LEVERAGE	.638	.928	0.865654	.054378
SIZE(GHC, Billion)	8.632	9.830	9.434182	.323363

Source: Research results

4.4.1 Profitability (ROE)

From Table 4.3, the profitability of the banks ranged from 0.07 (7%) to 0.491 (49.1%) with a mean of 0.155 (15.5%). From the data results in Figure 4.2, inference can be made that CAL Bank had the highest ROE at 24.9% which was followed by ECOBANK with a mean value of 0.189 (18.9%) . The bank with the lowest ROE was SGSSB. The implication is that, at an average of 0.155 for the selected banks, there is the likelihood that the banks may have discouraged to comply with the IFRS/IAS standards. The results is in line with the signalling theory, which suggests that managers are more likely to get the market informed by disclosing profits to attract investors, and thus increase management compensation.

Figure 4.2: Profitability

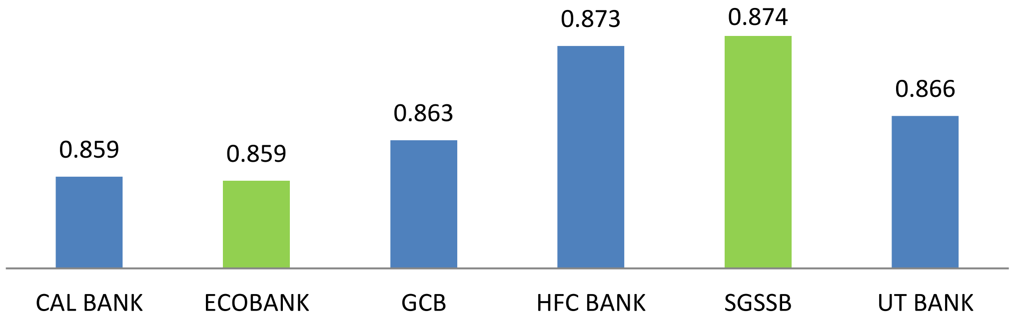


Source: Research results

4.4.2 Leverage

From Table 4.3, it could be observed that leverage for the companies ranged from 0.63 to 0.93 with a mean score of 0.86. SGSSB was highly geared (0.874), followed by HFC (0.873), UT (0.866), GCB (0.863), CAL Bank (0.859) and then ECOBANK (0.859) as presented in Figure 4.3. Considering the high leverage, the implications are that these banks comply to a greater extent with IFRS/IAS as per the 'agency theory'. As a result, these banks are demanded to provide enough information to decrease agency costs by given further assurance to debt holders that stakes are secured.

Figure 4.3: Leverage

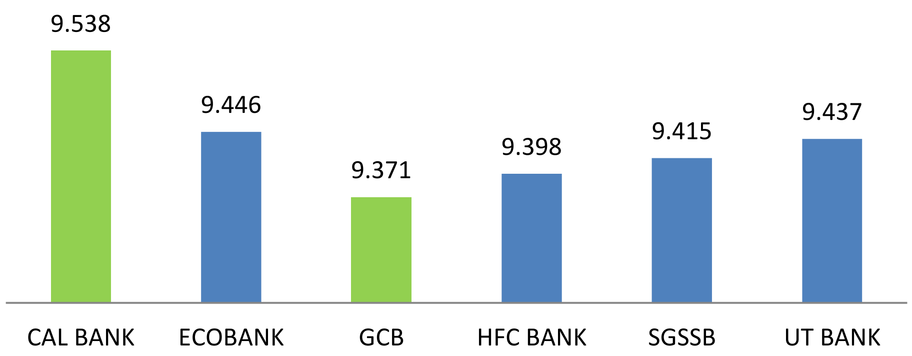


Source: Research results

4.4.3 Size

The size of the banks which comprised the assets and revenue of the banks ranged from 8.63 to 9.8 with a mean value of 9.4 while dispersing the mean at 0.32 as inferred from Table 4.3. The results show that CAL Bank had the highest in the sample (9.53) followed by ECOBANK (9.446), UT bank (9.437), SGSSB (9.415), HFC (9.39) and GCB (9.371) as shown in Figure 4.4. The differences in the banks by their sizes are widely due to economies of scale as well as other managerial strategies that impact on the assets and the revenues of the banks.

Figure 4.4: Size



Source: Research results

4.4.4 Multiple Listing Statuses

Out of the five (6) banks studied, none of the banks had multiple listing statuses. The implication is that the banks prefer been listed only on the GSE.

4.4.5 Type of Auditor

Regarding the type of auditor type, all the banks were reported by the Big 4 auditing firms in the country; PriceWaterhouseCoopers (PWC), KPMG, Ernst & Young and Deloitte.

Table 4.4: Correlation Matrix

		AUDITOR	MULTILIST	ROE	LEVERAGE	SIZE	COMPLIANCE
AUDITOR	Pearson Correlation	.[a]					
	Sig. (2-tailed)						
	N	30					
MULTILIST	Pearson Correlation	.[a]	.[a]				
	Sig. (2-tailed)						
	N	30	30				
ROE	Pearson Correlation	.[a]	.[a]	1			
	Sig. (2-tailed)						
	N	30	30	30			
LEVERAGE	Pearson Correlation	.[a]	.[a]	-.035	1		
	Sig. (2-tailed)			.855			
	N	30	30	30	30		
SIZE	Pearson Correlation	.[a]	.[a]	.729**	.085	1	.651**
	Sig. (2-tailed)			.000	.656		.000
	N	30	30	30	30	30	30
COMPLIANCE	Pearson Correlation	.[a]	.[a]	.579**	-.022	.651**	1
	Sig. (2-tailed)			.001	.907	.000	
	N	30	30	30	30	30	30

**. Correlation is significant at the 0.01 level (2-tailed).

a. Cannot be computed because at least one of the variables is constant.

4.5 Correlations and Testing of Propositions

Prior to running the multiple regression, a correlation concerning the independent and the dependent variables were verified. In order to test the propositions by ascertaining the relationship between the variables the Pearson correlation was used. From the results presented in Table 4.4 and 4.5, inference can be made that the relationship between the Auditor type and the multiple listing statuses of the banks were not computed. This was due to the fact that the auditor type and the multiple listing statuses of the banks had individual constant values.

Table 4.5: Correlations

Variables	Pearson's correlation coefficient, r	p-value	Decision
ROE	.579	0.001	Accept
Size	.651	0.000	Accept
Leverage	-.022	0.907	Reject
Auditor Type	-	-	-
Multiple Listing	-	-	-

4.5.1 Profitability and disclosure

In testing the proposition that profitability has positive connection with the compliance level with disclosed IFRS requirement of Ghanaian listed banking financial institutions, a Pearson correlation was used. The correlation results as indicated in Table 4.5 show that profitability is positively connected with disclosure at significant level of $p<0.05$. The correlation coefficient of .57 implies that the positive relationship between profitability and disclosure is strong as shown in the scatter matrix (Figure 4.5). Moreover, the results contradicts the findings of Street and Bryant (2000) as well as

Tower et al (1999) that profitability has no connection among the level of mandatory and voluntary compliance with IFRS/IAS standards.

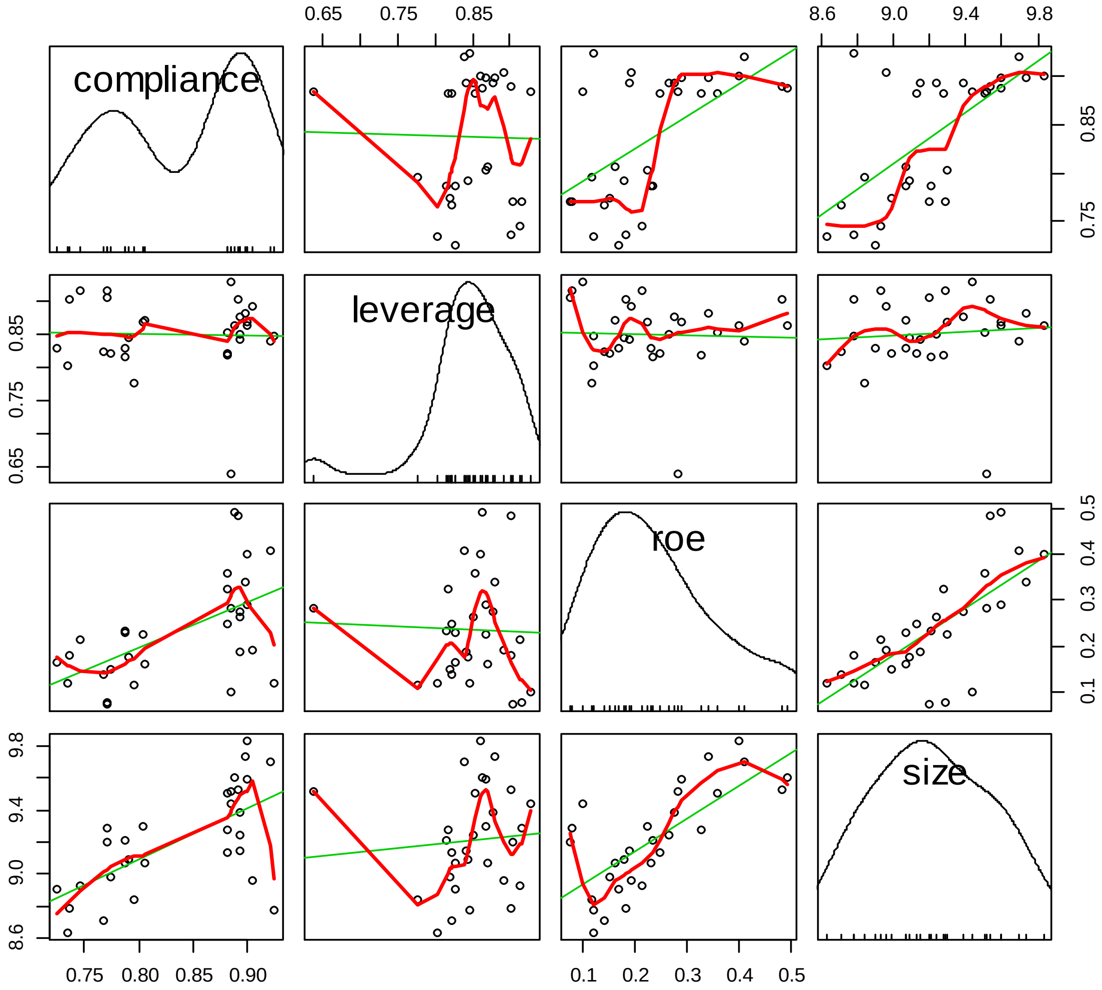
4.5.2 Company Size and Disclosure

Moving forward, the proposition that company size has a positive connection with compliance level with the disclosed IFRS requirement of Ghanaian listed banking financial institutions is not rejected. This is because the correlation coefficient as well as the scatter plot depicts a positive relationship between size and disclosure compliance at r = 651 (p<0.05) as presented in Table 4.5. The implication is that banks with higher profits are likely to comply with IFRS/IAS standards. Contrary to the findings of Archambault and Archambault (2003), this results contradicts the report that company size has no association/relationship with disclosure compliance.

4.5.3 Leverage and Disclosure

The results depict that the leverage of banks have an insignificant (p>0.05) negative (-.022) relationship with disclosure compliance as shown in Table 4.5. As a result, the proposition that leverage has positive connection with the compliance level with the disclosed IFRS requirement of Ghanaian listed banking financial institutions is rejected. In summary, the correlation results showed an insignificant positive relationship between the variable that is dependent; disclosure compliance and leverage at a correlation coefficient of .907. However, at significant p-values, disclosure compliance interacted positively with ROE and Size at correlation coefficients of 0.579 and 0.651 respectively.

Figure 4.5: Scatterplot Matrix



Source: Research result

4.6 Multiple Regression

A stepwise multiple regression method was used to identify the factors that predict the disclosure compliance levels of financial institutions listed on the Ghana Stock Exchange. This multiple regression test checks whether holding all other variables fixed each independent variable predicts variation in compliance. The model takes up that compliance is distributed normally with equal variance across all values of any independent variable.

Table 4.6: Regression Model Summary

R Square	.424
Adjusted R Square	.403
F Value	20.609
Significance	0.000

In order to predict individual values of compliance taking into consideration the regression line, the model takes the form:

$$PC_K = -0.388 - 0.078\ LEVERAGE + 0.223\ ROE + 0.133\ SIZE + e$$

From table 4.6 r-squared is 0.424 (adjusted r-squared = 0.403) which tells that the model based on the results from the current data, explain 42.4% of the variation in compliance. As a result, the model is 42.4% efficient in predicting variances in disclosure compliance.

Table 4.7: Coefficients

Variables	**Beta**	**P-values**
Constant	-0.388	0.162
Size	-0.133	0.000*
Profitability (ROE)	0.223	0.294
Leverage	-.078	0.102

Source: Regression results

From Table 4.7 the regression results show that leverage has no statistical relationship with compliance (alpha=.05). Also, the profitability of the banks, thus ROE, has no statistical impact on compliance (alpha=.05).

However, holding all other variables fixed, the size of the banks has a statistically significant positive impact on compliance. This means that as size increase in a unit, compliance increases by 0.133 (13.3%) (t=4.540, p= 0.000).

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter submits what was identified as the general findings of the study in the light of the essential ideas underpinning the purposes of this study. This chapter does not limit itself only to recommending solutions, however, it provides the discoveries in relation to the degree to which banking financial institutions listed on the GSE comply with the requirements on disclosure of the adopted IFRS/IAS as well as the attributes which are connected with the extent of compliance with the IFRS disclosure requirements. The constituents of the chapter comprise the summary of findings, conclusion and recommendations

5.1 Summary of Findings

Findings of the study revealed that disclosure compliance had an average score of 83.7% implying a high level of compliance by the selected banks for the study. The results further showed that the minimum disclosure compliance level was 3.3% and a maximum of 100% compliance by the six (6) banks that were selected. It was further revealed that Ecobank had the highest disclosure compliance score of 89.7% which was followed by CAL bank 89.5% and GCB 89.4% respectively. UT bank had the minimal disclosure compliance score of 76.6%.

Findings of the study also revealed that Statement of Cash Flow, Events After Reporting Period, Revenue and Impairment were completely disclosed at 100% compliance by all the banks selected for the study whiles Non- Current Assets Held for Sale was the least disclosed IFRS/IAS standard at 3%.

Moreover, findings of the study results showed an insignificant positive relationship between disclosure compliance and leverage at a correlation coefficient of .907. However, at significant p-values, disclosure compliance interacted positively with ROE and Size at correlation coefficients of 0.579 and 0.651 respectively.

5.2 Conclusions

Globalization has become a world-wide phenomenon and vocabulary. The acceptance of the concept has permitted countries to open up to foreign direct investment and business to expand across boundaries. It is worth knowing that both the private and public sector organization in various countries have seen the benefits a single financial reporting framework presents by strong globally admitted accounting standards.. This study provides two significant insights as ascertaining the compliance level of financial institutions listed on the Stock Market as well as the factors associated with disclosure compliance of selected financial institutions in Ghana. Based on the cases selected for the study, it can be concluded that banking financial institutions listed on the GSE over the 5 year period have an average of 83.7% compliance with regards to IFRS/IAS standards.

5.3 Recommendations

The study provides the following recommendations:

5.3.1 Training and Education

Noted from the findings, it is recommended the (ICAG) which stands solely responsible for regulating accounting profession in Ghana to liaise with financial statement preparers and managers to render education on IFRS. There should be an ongoing exercise when there is revision in standard or introduction of new standard.

This is to keep the managers updated on issues cropping up and how such fresh IFRS could be put used.

5.3.2 Amending the Company Code 1963

It is again recommended that, the Acts that regulates Security and Exchange Commission and the Companies Code which regulate companies financial reporting in Ghana should be changed considering the adoption of IFRS/IAS standards. It has the benefit when done to go a long way to strengthen enforcement bodies responsible to monitor compliance and stimulate sanctions as declared in the law to necessitate complete compliance.

5.3.3 Regular Monitoring and Publication of Reports by the Accounting Regulatory Bodies

Finally, as a tool to ensure that companies disclose their compliance, it is highly recommended that the accounting regulatory bodies (Ghana Stock Exchange, Bank of Ghana and Security and Exchange Commission) in Ghana establish IFRS compliance task force tasked to ensure that publicly interest entities comply with IFRS. There should be periodic monitoring on disclosure compliance of the banks as well as ensuring the publishing of their reports to the public.

5.3.4 Integrating IFRS Requirement into Accounting Curriculum

The learning of IFRS requirement should commence from our Senior High School. It has to continue at the Polytechnics and finally at the Universities. The IFRS requirement has to be incorporated into the curriculum for those doing accountancy courses. This will provide students beforehand with the knowledge and improve their understanding of IFRS and put it into practice in future.

5.3.5 Government Support of the Standards

The government should aid and strengthen the standards setters so that they can try to set applicable standards suitable to the Ghanaian banking environment. Some standards may conflict with state laws. For that reason, the government needs to liaise with standard setters to come out with standards that can suit the Ghanaian environment.

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APPENDIX A

CHECKLIST ON DISCLOSURE COMPLIANCE

This checklist addresses relevant IFRS of listed Banks in Ghana which prescribes the disclosure in an entity's financial statements.

IAS 1 PRESENTATION OF FINANCIAL STATEMENT

IAS 1.10 The entity presents a complete set of financial statements which comprises:

(1)…….a. a statement of financial position as at the end of the period

(2)…….b. a statement of profit or loss and other comprehensive income for the period

(3)…….c. a statement of changes in equity for the period

(4)…….d. a statement of cash flows for the period

(5)…….e. notes, comprising a summary of significant accounting policies and other explanatory information

(6)…….ea. comparative information in respect of the preceding period as specified in IAS1.38 and IAS1.38A

IAS 1.15

(7)……. There should be a fair presentation of the financial statement

IAS 1.25

(8)…….An entity should disclose the basis for the presentation of the financial statement

IAS 1.29

(9)……. An entity should present separately each material class or similar items

IAS 1.29

(10)…….. An entity should present separately items of dissimilar nature or function unless they are immaterial

IAS 1.36

(11)……. An entity's financial statement should be presented at least annually

IAS 1.36

(12)……. An entity should disclose any changes in the reporting date and presents financial statement for a period shorter or longer than one year

IAS 1.38

(13)……. An entity should present comparative information in respect of the preceding period for all amounts reported in the current period's financial statement

IAS 1.38A

An entity should present as a minimum:

(14)…….a. Two statement of financial position

(15)…….b. Two statements of profit or loss and OCI

(16)…….c. Two statements of cash flows

(17)…….d. Two statement of changes in equity and

(18)…….e. Related notes

IAS 1.45

(19)……. An entity should show consistency in presentation and classification of items in financial statements from one period to another

IAS 1.49

(20)……. An entity should clearly identify the financial statement and distinguish them from other information in the same published document

IAS 1.51

(21)……Components of the financial statement clearly identified

IAS 1.51

An entity should prominently display the following at least once in the financial statements:

(22)…….a. The name of the reporting entity or other means of identification, and any change in that information from the end of the preceding reporting period

(23)…….b. Whether the financial statements cover the individual entity or a group of entities

(24)…….c. The end of the reporting period or the period covered by the financial statements or notes

(25)…….d. The presentation currency, as defined in IAS 21.8

(26)…….e. The level of rounding used in the presentation of amounts in the financial statements

IAS 1.54

An entity should have the following line items on the statement of financial position:

(27)…….a. Property, plant and equipment

(28)…….b. Investment property

(29)…….c. Intangible assets

(30)…….d. financial assets, excluding investments accounted for using the equity method, trade and other receivables, cash and cash equivalents

(31)…….e. Investment accounted for under the equity method

(32)…….f. Biological assets

(33)…….h. Loan receivables

(34)…….i. Cash and cash equivalents

(35)……j. Total of assets classified as held for sale and assets included in disposal groups classified as held for sale in accordance with IFRS 5

(36)……k .Loans payable

(37)…….l. Provisions

(38)……m. financial liabilities (excluding amounts shown under (K) and (L))

(39)…….n. Liabilities and assets for current tax

(40)…….o. Deferred tax liabilities and assets

(41)…….p. Liabilities included in disposal groups classified as held for sale

(42)…….q. Non- controlling interest, presented within equity, but separately from parent shareholders' equity and

(43)…….r. Issue capital and reserves attributable to owners of the parent

IAS 1.55

(44)……. An entity should present line items for headings and sub totals on the face of the statement of financial position

IAS 1.60

(45)…….An entity should present current and non-current assets, and current and non-current liabilities, as separate classification in the statement of financial position

IAS 1.60

(46)…… Except when liquidity presentation provides reliable and more relevant information when exception applies all assets and liabilities are presented in order of liquidity

IAS 1.61

(47)……. An entity should disclose for each asset and liability line item amounts expected to be recovered or settled with (i) not more than 12 months after the reporting date

IAS 1.77

(48)……. An entity should disclose in the statement of financial position or in the notes, further sub classifications of the line items presented

IAS 1.78

An entity should disclose:

(49)……..a. items of property, plant and equipment disaggregated into classes in accordance with IAS 16

(50)…….b. Loans receivable disaggregated into amount receivable from customers, receivables from related parties, prepayment and other amounts

(51)……. e. capital and reserves disaggregated into the various classes such as paid in capital, share premium and reserves

IAS 1.79

An entity should disclose either in the statement of financial position, the statement of changes in equity or in the notes:

a. For each class of share capital:

(52)…….i. The number of authorised shares

(53)…….ii. The number issued shares and fully paid; and issued but unpaid fully

(54)…….iii. Par value per share

(55)…….iv. A reconciliation of the number of shares outstanding at the beginning and at the end of the period

(56)…….vi. shares in the entity held by the entity itself or by its subsidiaries (treasury shares) or associates;

IAS 1.81A

An entity should present in the statement of profit or loss and OCI:

(57)…….a. Profit or loss

(58)…….b. Total OCI; and

(59)…….c. Comprehensive income for the period, being the total of profit or loss and OCI

IAS 1.81B

An entity in addition to the profit or loss and OCI sections, make allocation of profit or loss and OCI for the period:

a. Profit or loss for the period attributable to:

(60)…….i. Non-controlling interests; and

(61)…….ii. Owners of the parent; and

b. Comprehensive income for the period attributable to:

(62)…….i. Non-controlling interest; and

(63)…….ii. Owners of the parent

IAS 1.82

An entity should present of the face of the statement of profit or loss, line items that present the following amounts for the period:

(64)…….a. Revenue

(65)…….b. Finance cost

(66)…….c. Share of the profit or loss of associates and joint ventures accounted for under the equity method

(67)…….d. Tax expenses

IAS 1.82A

An entity should present line item for amounts of OCI in the period, classified by nature and grouped into those that, in accordance with other IFRSs

(68)…….a. Will not be reclassified subsequent to profit or loss; and

(69)……b. Will be classified subsequently to profit or loss when specific conditions are met.

IAS 1.85

(70)…….An entity should present additional line items for headings and subtotals in the statement of profit or loss and OCI

IAS 1.112 a. present information about the basis of preparation of the financial statement and the specific accounting policies used;

(71)…….a. Disclose the information required by IFRS that is not presented elsewhere in the financial statements;

IAS 1.114

An entity should present in the following order to assist users to understand the financial statement and to compare them with financial statements of other entitles (unless considered necessary or desirable to vary the order):

(72)…….a. statement of compliance with IFRS

(73)……b. Summary of significant accounting policies applied

(74)……c. Supporting information for items presented in the statements of financial position and of comprehensive income, in the separate statement of profit or loss(if presented), and in the statement of changes in equity and of cash flows, in order in which each statement and each statement and each line item is presented and

a. Disclosure on:

(75)…….i. Contingent liabilities and unrecognised contractual commitments; and

(76)…….ii. Non-financial disclosures

IAS 1.138

An entity should disclose the following in the financial statement:

(77)…….a. The domicile and legal form of the entity, its country of incorporation and the address of its registered office

(78)…….b. Description of the nature of the entity's operations and its principal activities

(79)…….c. The name of the parent and the ultimate parent of the group; and

(80)…….d. If it is a limited life entity, information regarding the length of it life.

IAS 16 PROPERTY, PLANT AND EQUIPMENT

IAS 16.73

An entity should disclose for each of the following class of property, plant and equipment below

(1)……. a. The measurement bases used for determining the gross carrying amount

(2)…….d. The gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period

e. A reconciliation of the carrying amount at the beginning and end of the period showing:

(3)…….i. Additions

(4)…….ii. Assets classified as held for sale or included in a disposal group classified as 'held for sale' in accordance with IFRS 5 and other disposals

(5)…….iii. Acquisitions through business combinations

(6)…….iv. Increases or decreases during the reporting period resulting from revaluations under IAS 16,31,39 and 40

(7)…….v. Impairment losses recognised or reversed in other comprehensive income under IAS 36

Impairment losses recognised in profit or loss during the period under IAS 36

(8)…….vi. Impairment losses reversed in profit or loss during the period under IAS 36

(9)…….vii. Depreciation (whether recognised in profit or loss or as a part of the cost of other assets)

(10)…….viii. The net exchange differences arising on the translation of the financial statements from the functional currency into a different presentation currency, including the translation of a foreign operation into the presentation currency of the reporting entity

(11)……..ix. Other changes

IAS 16.74

An entity should disclose the following information:

(12)…….a. The existence and amounts of restrictions on title, and property, plant and equipment pledged as security for liabilities

(13)…….b. The amount of expenditures recognised in the carrying amount of an item of property, plant and equipment during its construction

(14)…….c. The amount of contractual commitments for the acquisition of property, plant and equipment

(15)…….d. If it is not disclosed separately in the statement of comprehensive income, the amount of compensation from third parties for items of property, plant and equipment that were impaired, lost or given up that is included in profit or loss

IAS 16.75

(16)……. b. The depreciation methods used

(17)……. c. The useful lives or the depreciation rates used

IAS 16.77

If items of property, plant and equipment are stated at revalued amounts, does the entity should disclose:

(18)…….a. The effective date of the revaluation

(19)…….b. Whether an independent valuer was involved

(20)…….e. For each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model

(21)…….f. The revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders

IAS 18 REVENUE

IAS 18.35 an entity should disclose:

b. The amount of each significant category of revenue recognised during the period including revenue arising from:

(1)…….i. The sale of goods

(2)…….ii. The rendering of services

(3)…….iii. Interest

(4)…….iv. Royalties

(5)…….v. Dividends

(6)…….c. The amount of revenue arising from exchanges of goods or services included in each significant category of revenue

IAS 23 BORROWING COSTS

IAS 23.26 If the entity capitalised borrowing costs during the reporting period, it should disclose:

(1)…….a. The amount of borrowing costs capitalised during the period

(2)…….b. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalization

IAS 12 INCOME TAXES

IAS 12.79-80 An entity should disclose:

(1)……..a. The current tax expense (income)

(2)…….b. Any adjustments recognised in the period for current tax of prior periods

(3)…….c. The deferred tax expense (income) relating to the origination and reversal of temporary differences

(4)…….d. The deferred tax expense (income) relating to changes in tax rates or the imposition of new taxes

(5)…….e. The benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce current tax expense

(6)……..f. The benefit from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce deferred tax expense

(7)…….g. Deferred tax expense arising from the write-down, or reversal of a previous write-down, of a deferred tax asset

(8)…….h. The tax expense (income) relating to those changes in accounting policies and errors that are included in profit or loss in accordance with IAS 8 because they cannot be accounted for retrospectively

IAS 12.81 Does the entity separately disclose the following information:

(9)………a. The aggregate current and deferred tax relating to items that are charged or credited directly to equity (IAS 12.62A)

(10)…….b. the amount of income tax relating to each component of other comprehensive income (IAS 12.62 and IAS 1)

IAS 38 INTANGIBLE ASSETS

IAS 38.118 An entity should disclose the following for each class of intangible assets, distinguishing between internally generated intangible assets and other intangible assets:

(1)…….a. Whether the useful lives are indefinite or finite and, if finite, the useful lives or the amortisation rates used

(2)…….b. The amortisation methods used for intangible assets with finite useful lives

c. The gross carrying amount and the accumulated amortisation (aggregated with accumulated impairment losses):

(3)…….i. At the beginning of the reporting period

(4).......ii. At the end of the reporting period

(5)…….d. The line item(s) of the statement of comprehensive income in which any amortisation of intangible assets is included

e. A reconciliation of the carrying amount at the beginning and end of the reporting period, showing:

(6)….i. Additions during the period, indicating separately those from internal development

(7)…….ii Additions acquired separately

(8)…….iii. Additions acquired through business combinations

IAS 38.122

The entity should disclose:

(9)…….a. For an intangible asset assessed as having an indefinite useful life, the carrying amount of that asset and reasons supporting the assessment of an indefinite useful life

(10)…….b. In giving the reasons in (a), does the entity disclose the factor(s) that play a significant role in determining that the asset has an indefinite useful life

c. For any individual intangible asset that is material to the entity's financial statements:

(11)…….i. A description of that intangible asset

(12)…….ii. The carrying amount

(13)……..iii.Remaining amortisation period

IAS 24 RELATED PARTY DISCLOSURES

IAS 24.13 An entity should disclose related party relationship between parent and subsidiaries irrespective of whether transactions have taken place between those related parties. The disclosure should cover

(1)……. a. The name of the entity's parent

(2)…….b. If different, the ultimate controlling party

(3)…….c. If neither the entity's parent nor the ultimate controlling party produces financial statements available for public use, the name of the next most senior parent that does so

IAS 24.17

Disclose key management personnel compensation in total and for each of the following categories:

(4)…….a. Short-term employee benefits

(5)…….b. Post-employment benefits

(6)…….c. Other long-term benefits

(7)…….d. Termination benefits

(8)…….e. Share-based payments

IAS 24.18

If there are related party transactions during the reporting period with related parties, the entity should disclose the following information:

(9)…….a. The nature of the related party relationship

b. Information about the transactions and outstanding balances including commitments necessary for an understanding of the potential effect of the relationship on the financial statements, including the following disclosures:

(10)…..a. The amount of the transactions

b. The amount of outstanding balances, including commitments

(11)……i. Their terms and conditions, including whether they are secured and the nature of the consideration to be provided in settlement

(12)……..ii. Details of any guarantees given or received

(13)…….c. Provisions for doubtful debts related to the amount of outstanding balances

(14)…….d the expense recognised during the period in respect of bad or doubtful debts due from this related party.

IAS 10 EVENTS AFTER THE REPORTING PERIOD

IAS 10.19

*(1)…….*Do the disclosures in the financial statements reflect information received after the reporting period that relates to conditions that existed at the end of the reporting period

IAS 10.21-IAS 10.22

If non-adjusting events after the reporting period are material, and thus nondisclosure could influence the economic decisions of users taken on the basis of the financial statements, does the entity disclose the following for each material category of non-adjusting events after the reporting period (IAS 10.22 provides examples of such events):

(2)…….a. The nature of the event

(3)…….b. An estimate of its financial effect or a statement that such an estimate cannot be made

IAS 33 EARNING PER SHARE

(1)……. IAS 33.4 the entity should presents both consolidated financial statements and separate financial statements prepared under IFRS 10 and IAS 27, does it present the disclosures required by IAS 33 only on the basis of the consolidated information

(2)…….IAS 33.66 the entity should present basic and diluted earnings per share, with equal prominence for all periods presented

(3)……. IAS 33.67A the entity should present a separate statement of profit or loss and disclose earnings per share only in that separate statement

(4)……. IAS 33.73 If the entity discloses, in addition to basic and diluted earnings per share, amounts per share using a component that is not reported as a line item in the statement of comprehensive income, does the entity reconcile between the component used and a line item that is reported in the statement of comprehensive income

IAS 7 STATEMENT OF CASH FLOWS

(1)……. *IAS 1.29* Does the entity present each material class of similar items separately in the statement of cash flows

(2)……. *IAS 7.10* Are the cash flows during the period classified by operating, investing and financing activities

IAS 7.18 Does the entity report cash flows from operating activities using either:

(3)……. a. The direct method, disclosing major classes of gross cash receipts and gross cash payments (this method is encouraged)

Or

b. The indirect method, in which the entity adjusts profit or loss for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows

(4)……. *IAS 7.21* Does the entity report major classes of gross receipts and gross cash payments arising from investing and financing activities separately, except as described in

IAS 7.22 Are cash flows arising from the following operating, investing or financing activities reported on a net basis:

(5)……. a. Cash receipts and payments on behalf of customers, if the cash flows reflect the activities of the customer rather than those of the entity

(6)……. b. Cash receipts and payments for items in which the turnover is quick, the amounts are large and the maturities are short

IAS 7.35-IAS 7.36

(7)……. Cash flows arising from taxes on income must be separately disclosed and must be classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities. If the entity allocates tax cash flows to more than one class of activity, or all to operating activities, does the entity disclose the total amount of taxes paid

IAS 7.43

Are investing and financing transactions that do not require the use of cash or cash equivalents:

(8)……. a. Excluded from the statement of cash flows

(9)……. b. Disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities

IAS 7.45

(10)……. Does the entity disclose the components of cash and cash equivalents

IAS 7.45

(11)……. Does the entity reconcile the amounts of cash and cash equivalents in the statement of cash flows with the equivalent items in the statement of financial position

IAS 7.46

(12)……. Does the entity disclose the policy for determining the composition of cash and cash equivalents

IAS 7.48 Does the entity disclose the following regarding significant cash and cash equivalent balances held, that are not available for use by the group:

(13)……. a. The amount

(14)……. b. A commentary by management

IAS 7.31 Does the entity separately disclose the following:

(15)……. a. Cash inflow from interest

(16)……. b. Cash outflow from interest

(17)……. c. Cash inflow from dividends

(18)……. d. Cash outflow from dividends

IAS 19 EMPLOYEE BENEFIT

IAS 19.53

(1)……. An entity should disclose the amount recognised as an expense defined contribution plans

IAS 19.151 an entity when required by IAS 24 should disclose information about

(2)……. a. Related party transactions with post-employment benefits plans; and

(3)……..b. Post-employment benefits for key management personnel

<u>IFRS 5 NON CURRENT ASSETS HELD FOR SALE</u>

IFRS 5.5b The entity has non-current assets(or disposal groups) classified as held-for-sale, then disclose the information required by IFRS 5. Disclosure in other IFRSs does not apply to such assets (or disposal groups) unless those IFRSs require:

(1)…….a. Specific disclosure in respect of non-current assets (or disposal groups) classified as held-for-sale; or

(2)…….b. Disclosures about measurement of assets and liabilities within a disposal group that are not within the scope of the measurement requirement of IFRS 5 and such disclosures are not already provided in other notes to the financial statements.

<u>IAS 28/IFRS 12 INTEREST IN ASSOCIATES</u>

<u>IFRS</u> 12 21 An entity should disclose

a. For each associate that is material to the reporting entity:

(1)……. i. The name of the associate

(2)……. Ii. The nature of the entity's relationship with the associate by, for example, describing the nature of the activities of the associate and whether they are strategic to the entitys activities

(3)……. iii. The principal place of business (and country of incorporation, if applicable and different from the principal place of business) of the associate; and

(4)…….iv. The proportion of ownership interest or participating share held by the entity and, if different, the proportion of voting rights held, if applicable

(5)…….v. Whether the investment in the associate is measured under the equity method or at fair value;

vi. Summarised financial information about the associate as specified in IFRS 12.B12:

(6)…….a. Dividend received from the associate

b. Summarised financial information for the associate including, but not necessarily limited to:

(7)…….i. Current assets

(8)…….ii. Non-current assets

(9)…….iii. Current liabilities

(10)…….iv. Non-current liabilities

(11)…….v. Revenue

(12)…….vi. Profit or loss from continuing operations

(13)…….vii. Post-tax profit or loss from discontinued operations

(14)…….viii. Other comprehensive income and

(15)…….ix. Total comprehensive income

IFRS 8 OPERATING SEGMENT

IFRS 8.22 An entity should disclose

(1)…….a. Factors used to identify the entity's reportable segments, including the basis of organisation example whether management has chosen to organise the entity around differences in products and services, geographical areas, regulatory environments, or a combination of factors and whether operating segments have been aggregated; and

(2)…….b. Types of products and services from which each reportable segment derives its revenues

IFRS 8.23 an entity should disclose the measure of profit or loss for each reportable segment

(3)…….a. Revenue from external customers

(4)…….b. Revenues from transactions with other operating segments of the same entity

(5)…….c. Interest revenue

(6)…….d. Interest expense

(7)…….e. Depreciation and amortisation

(8)…….f. Material items of income and expenses disclose

(9)…….g. The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method

(10)……h. Income tax expenses or income

IFRS 8.28 provide reconciliation for the following:

(11)…….a. The total of the reportable segments' revenue to the entity's revenue

(12)…….b. The total of the reportable segments' measure of profit or loss to the entity's profit or loss before tax expenses (tax income) and discontinued operations; however, if the entity allocated to reportable segments items such as tax expense(tax income), then it may reconcile the total of the segments' measure of profit or loss to the entity's profit or loss after those items

(13)…….c. The total of the reportable segment's assets to the entity's assets

(14)…….d. The total of the reportable segments' liabilities to the entity liabilities if segment liabilities are reported in accordance with IFRS 8.23.

IAS 37 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

IAS 37.84 For each class of provision (comparative information is not required), does the entity disclose:

(1)…….a. The carrying amount at the beginning and end of the reporting period

(2)……b. Additional provisions made in the reporting period, including increases to existing provisions

(3)…….c. Amounts used (that is, incurred and charged against the provision) during the reporting period

(4)…….d. Unused amounts reversed during the reporting period

(5)…….e. The increase during the reporting period in the discounted amount arising from the passage of time and the effect of any change in the discount rate

IAS 37.85 For each class of provision, does the entity disclose:

(6)……..a. The nature of the obligation and the expected timing of any resulting outflows of economic benefits

IAS 37.91

(7)…….if any of the information required by IAS 37.86 and 89 is not disclosed because it is not practicable to do so, then disclose that fact

IAS 37.89-IAS 37.91

If an inflow of economic benefits is probable, does the entity disclose:

(8)…….a. The nature of the contingent assets at the end of the reporting period

IFRS 7 FINANCIAL INSTRUMENTS

The carrying amounts of each of the following categories, as defined in IAS 39 Financial Instruments: Recognition and Measurement shall be disclosed either on the face of the balance sheet or in the notes:

IFRS 7.8 a) financial assets at fair value through profit or loss, showing separately:

(1)----- i) Those designated as such upon initial recognition; and

(2)---- ii) Those classified as held for trading in accordance with IAS 39;

(3)----- b) held-to-maturity investments;

(4)----- c) Loans and receivables;

(5)----- d) Available-for-sale financial assets;

(e) Financial liabilities at fair value through profit or loss, showing separately:

(6)----- i) Those designated as such upon initial recognition; and

(7)----- ii) Those classified as held for trading in accordance with IAS 39; and

(8)----- f) Financial liabilities measured at amortised cost.

IFRS 7.9

If the entity has designated a loan or receivable (or group of loans or receivables) as at fair value through profit or loss, it shall disclose:

(9)----- a) The maximum exposure to credit risk of the loan or receivable (or group of loans or receivables) at the reporting date;

(10)----- b) The amount by which any related credit derivatives or similar instruments mitigate that maximum exposure to credit risk;

c) The amount of change, during the period and cumulatively, in the fair value of the loan or receivable (or group of loans or receivables) that is attributable to changes in the credit risk of the financial asset determined either:

(11)-----i) as the amount of change in its fair value that is not attributable to changes in market conditions that give rise to market risk; or

(12)----- ii) using an alternative method the entity believes more faithfully represents the amount of change in its fair value that is attributable to changes in the credit risk of the asset; and

(13)----- d) The amount of the change in the fair value of any related credit derivatives or similar instruments that has occurred during the period and cumulatively since the loan or receivable was designated.

IFRS 7.10

If the entity has designated a financial liability as at fair value through profit or loss in accordance with paragraph 9 of IAS 39, it shall disclose:

a) The amount of change, during the period and cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk of that liability determined either:

(14)----- i) as the amount of change in its fair value that is not attributable to changes in market conditions that give rise to market risk (see also IFRS 7.B4); or

(16)----- ii) using an alternative method the entity believes more faithfully represents the amount of change in its fair value that is attributable to changes in the credit risk of the liability; and

(17)----- b) the difference between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation.

IFRS 7.11 The entity shall disclose:

(18)----- a) the methods used to comply with the requirements in paragraphs 9(c) and 10(a) of IFRS 7 (see above); and

(20)-----b) if the entity believes that the disclosure it has given to comply with the requirements in paragraphs 9(c) or 10(a) of IFRS 7 does not faithfully represent the change in the fair value of the financial asset or financial liability attributable to changes in its credit risk, the reasons for reaching this conclusion and the factors it believes are relevant.

IFRS 7.12 If the entity has reclassified a financial asset as one measured:

(21)----- a) At cost or amortised cost, rather than at fair value; or

(22)----- b) At fair value, rather than at cost or amortised cost, it shall disclose the amount reclassified into and out of each category and the reason for that reclassification

IFRS 7.13 An entity may have transferred financial assets in such a way that part or all of the financial assets do not qualify for derecognition (see paragraphs 15 to 37 of IAS 39 Financial Instruments: Recognition and Measurement). The entity shall disclose for each class of such financial assets:

(23)----- a) the nature of the assets;

(24)----- b) The nature of the risks and rewards of ownership to which the entity remains exposed;

(25)----- c) When the entity continues to recognise all of the assets, the carrying amounts of the assets and of the associated liabilities; and

(26)----- d) when the entity continues to recognise the assets to the extent of its continuing involvement, the total carrying amount of the original assets, the amount of the assets that the entity continues to recognise, and the carrying amount of the associated liabilities.

IFRS 7.14 An entity shall disclose:

(27)----- a) the carrying amount of financial assets it has pledged as collateral for liabilities or contingent liabilities, including amounts that have been reclassified in accordance with paragraph 37(a) of IAS 39 Financial Instruments: Recognition and Measurement; and

(28)----- b) The terms and conditions relating to its pledge.

IFRS 7.15 When an entity holds collateral (of financial or non-financial assets) and is permitted to sell or repledge the collateral in the absence of default by the owner of the collateral, it shall disclose:

(29)----- a) the fair value of the collateral held;

(30)----- b) The fair value of any such collateral sold or repledged, and whether the entity has an obligation to return it; and

(31)-----c) The terms and conditions associated with its use of the collateral.

IFRS 7.16

(32)----- When financial assets are impaired by credit losses and the entity records the impairment in a separate account (e.g. an allowance account used to record individual impairments or a similar account used to record a collective impairment of assets) rather than directly reducing the carrying amount of the asset, it shall disclose a reconciliation of changes in that account during the period for each class of financial assets.

IFRS 7.17

(33)----- If an entity has issued an instrument that contains both a liability and an equity component and the instrument has multiple embedded derivatives whose values are interdependent (such as a callable convertible debt instrument), it shall disclose the existence of those features.

For loans payable recognised at the reporting date, an entity shall disclose:

IFRS 7.18

(34)----- a) details of any defaults during the period of principal, interest, sinking fund, or redemption terms of those loans payable;

(35)----- b) The carrying amount of the loans payable in default at the reporting date; and

(36)----- c) Whether the default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.

IFRS 7.19

(37)----- If, during the period, there were breaches of loan agreement terms other than those described in paragraph 18 of IFRS 7 (see above), an entity shall disclose the same information as required by paragraph 18 if those breaches permitted the lender to demand accelerated repayment (unless the breaches were remedied, or the terms of the loan were renegotiated, on or before the reporting date).

IFRS 7.20 An entity shall disclose the following items of income, expense, gains or losses either on the face of the financial statements or in the notes:

a) Net gains or net losses on:

(38)-----i) financial assets or financial liabilities at fair value through profit or loss, showing separately those on financial assets or financial liabilities designated as such upon initial recognition, and those on financial assets or financial liabilities that are classified as held for trading in accordance with IAS 39 Financial Instruments: Recognition and Measurement;

(39)-----ii) available-for-sale financial assets, showing separately the amount of gain or loss recognised directly in equity during the period and the amount removed from equity and recognised in profit or loss for the period;

(40)-----iii) held-to-maturity investments;

(41)-----iv) loans and receivables; and

(42)-----v) Financial liabilities measured at amortised cost;

(43)----- b) Total interest income and total interest expense (calculated using the effective interest method) for financial assets or financial liabilities that are not at fair value through profit or loss;

c) fee income and expense (other than amounts included in determining the effective interest rate) arising from:

(44)-----i) financial assets or financial liabilities that are not at fair value through profit or loss; and

(45)-----ii) trust and other fiduciary activities that result in the holding or investing of assets on behalf of individuals, trusts, retirement benefit plans, and other institutions;

(46)-----d) interest income on impaired financial assets accrued in accordance with paragraph AG93 of IAS 39 Financial Instruments: Recognition and Measurement; and

(47)-----e) The amount of any impairment loss for each class of financial asset.

IFRS 7.21

(48)-----In accordance with paragraph 108 of IAS 1 Presentation of Financial Statements, an entity discloses, in the summary of significant accounting policies, the measurement basis (or bases) used in preparing the financial statements and the other accounting policies used that are relevant to an understanding of the financial statements (see also

IFRS 7.25

(49)-----Except as set out in paragraph 29 of IFRS 7 (see below), for each class of financial assets and financial liabilities, an entity shall disclose the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount.

IFRS 7.27 An entity shall disclose:

(50)-----a) the methods and, when a valuation technique is used, the assumptions applied in determining fair values of each

(51)-----b) whether fair values are determined, in whole or in part, directly by reference to published price quotations in an active market or are estimated using a valuation technique (see paragraphs AG71–AG79 of IAS 39 Financial Instruments: Recognition and Measurement);

(52)-----c) whether the fair values recognised or disclosed in the financial statements are determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument (i.e. without modification or repackaging) and not based on available observable market data; and for fair values that are recognised in the financial statements, if changing one or more of those assumptions to reasonably possible alternative assumptions would change fair value significantly, the entity shall state this fact and disclose the effect of those changes.

(53)-----d) if paragraph 27(c) of IFRS 7 applies (see above), the total amount of the change in fair value estimated using such a valuation technique that was recognised in profit or loss during the period.

If a difference exists between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique (see note below), an entity shall disclose, by class of financial instrument:

IFRS 7.28

(54)----- a) its accounting policy for recognising that difference in profit or loss to reflect a change in factors (including time) that market participants would consider in setting a price (see paragraph AG76A of IAS 39 Financial Instruments: Recognition and Measurement);

(55)----- b) The aggregate difference yet to be recognised in profit or loss at the beginning and end of the period and a reconciliation of changes in the balance of this difference.

Disclosures of fair value are not required an entity shall disclose information to help users of the financial statements make their own judgements about the extent of possible differences between the carrying amount of those financial assets or financial liabilities and their fair value, including:

IFRS 7.30

(56)-----a) the fact that fair value information has not been disclosed for these instruments because their fair value cannot be measured reliably;

(57)----- b) A description of the financial instruments, their carrying amount, and an explanation of why fair value cannot be measured reliably;

(58)----- c) Information about the market for the instruments;

(59)----- d) Information about whether and how the entity intends to dispose of the financial instruments; and

(60)---- e) If financial instruments whose fair value previously could not be reliably measured are derecognised, that fact, their carrying amount at the time of derecognition, and the amount of gain or loss recognised.

IFRS 7.31

(61)-----An entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the reporting date (see also IFRS 7.B6).

IFRS 7.33 For each type of risk arising from financial instruments, an entity shall disclose:

(62)-----a) the exposures to risk and how they arise;

(63)-----b) Its objectives, policies and processes for managing the risk and the methods used to measure the risk; and

(64)-----c) Any changes in 33(a) or (b) (see above) from the previous period.

IFRS 7.34 For each type of risk arising from financial instruments, an entity shall disclose:

(65)-----a) summary quantitative data about its exposure to that risk at the reporting date. This disclosure shall be based on the information provided internally to key management personnel of the entity (as defined in IAS 24 Related Party Disclosures), for example the entity's board of directors or chief executive officer;

(66)-----b) the disclosures required by paragraphs 36 to 42 of IFRS 7 (see below), to the extent not provided in paragraph 34(a) (see above), unless the risk is not material; and

(67)----- c) concentrations of risk if not apparent from 34(a) and (b).

IFRS 7.35

(68)-----If the quantitative data disclosed as at the reporting date are unrepresentative of an entity's exposure to risk during the period, an entity shall provide further information that is representative.

IFRS 7.36 An entity shall disclose by class of financial instrument:

(69)-----a) the amount that best represents its maximum exposure to credit risk at the reporting date without taking account of any collateral held or other credit enhancements (e.g. netting agreements that do not qualify for offset in accordance with IAS 32 Financial Instruments: Presentation) (see also IFRS 7.B9 and B10);

(70)-----b) in respect of the amount disclosed in 36(a) (see above), a description of collateral held as security and other credit enhancements;

(71)-----c) Information about the credit quality of financial assets that are neither past due nor impaired; and

(72)-----d) The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

IFRS 7.37 An entity shall disclose by class of financial asset:

(73)-----a) an analysis of the age of financial assets that are past due as at the reporting date but not impaired;

(74)-----b) an analysis of financial assets that are individually determined to be impaired as at the reporting date, including the factors the entity considered in determining that they are impaired; and

(75)-----c) For the amounts disclosed in 37(a) and (b) (see above), a description of collateral held by the entity as security and other credit enhancements and, unless impracticable, an estimate of their fair value.

IFRS 7.38 When an entity obtains financial or non-financial assets during the period by taking possession of collateral it holds as security or calling on other credit enhancements (e.g. guarantees), and such assets meet the recognition criteria in other Standards, an entity shall disclose:

(76)-----a) the nature and carrying amount of the assets obtained; and

(77)-----b) When the assets are not readily convertible into cash, its policies for disposing of such assets or for using them in its operations.

IFRS 7.39 An entity shall disclose:

(78)-----a) a maturity analysis for financial liabilities that shows the remaining contractual maturities (see also IFRS 7.B11 to B16); and

(79)-----b) a description of how it manages the liquidity risk inherent in 39(a) (see above).

IFRS 7.40 Unless an entity complies with paragraph 41 of IFRS 7 (see below), it shall disclose:

(80)-----a) a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date;

(81)-----b) The methods and assumptions used in preparing the sensitivity analysis; and

(82)-----c) Changes from the previous period in the methods and assumptions used, and the reasons for such changes.

IFRS 7.41 The entity shall also disclose:

(83)----- a) an explanation of the method used in preparing such a sensitivity analysis, and of the main parameters and assumptions underlying the data provided; and

(84)-----b) An explanation of the objective of the method used and of limitations that may result in the information not fully reflecting the fair value of the assets and liabilities involved.

IFRS 7.42

(85)-----When the sensitivity analyses disclosed in accordance with paragraph 40 or 41 of IFRS 7 (see above) are unrepresentative of a risk inherent in a financial instrument (for example because the year-end exposure does not reflect the exposure during the year), the entity shall disclose that fact and the reason it believes the sensitivity analyses are unrepresentative.

IAS 36 IMPAIRMENT OF ASSETS

IAS 36.126 Does the entity disclose the following information for each class of assets:

(1)…….a. The amount of impairment losses recognised in profit or loss during the period and the line item(s) of the statement of comprehensive income in which those impairment losses are included

(2)…….b. The amount of reversals of impairment losses recognised in profit or loss during the period and the line item(s) of the statement of comprehensive income in which those impairment losses are reversed

(3)…….c. The amount of impairment losses on revalued assets recognised in other comprehensive income during the reporting period

(4)…….d. The amount of reversals of impairment losses on revalued assets recognised in other comprehensive income during the reporting period

IAS 36.130 If an impairment loss for an individual asset, including goodwill or a cash generating unit is recognised or reversed during the period and is material, does the entity disclose:

(5)…….b. The amount of the impairment loss recognised or reversed

c. For an individual asset:

(6)…….i. The nature of the asset

(7)…….ii. If the entity reports segment information under IFRS 8, the reportable segment to which the asset belongs