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INSIGHTS

ACCOUNTING & TECHNOLOGY

IAS 10 events after the reporting period in Cambodia

How CIFRS IAS 10 and CIFRS for SMEs Section 32 distinguish adjusting and non-adjusting events, the going-concern exception, dividends and the disclosure of the authorisation date.



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HOW DOES A CAMBODIAN COMPANY ACCOUNT FOR EVENTS AFTER THE REPORTING PERIOD UNDER IAS 10?

IAS 10 requires an entity to adjust the financial statements for events after the reporting period that provide evidence of conditions that existed at the reporting date, and not to adjust for events that arose after the reporting date but disclose them if material. The going-concern basis is an exception: a deterioration after the reporting date may require a change of basis. The financial statements are authorised for issue on a specified date, and that date is disclosed. CIFRS for SMEs Section 32 applies the same adjusting/non-adjusting distinction with a simpler disclosure set.

IN SHORT

- Adjusting events provide evidence of conditions that existed at the reporting date; non-adjusting events arose after it.
- A customer bankruptcy after the year-end may be adjusting if the financial difficulty existed at the year-end; a new contract is not.
- Dividends declared after the reporting date are not a liability at the year-end; disclose them.
- Going concern is an exception: a post-year-end deterioration can require a change of basis or disclosure.
- Disclose the date the financial statements were authorised for issue and the nature of material non-adjusting events.

Adjusting versus non-adjusting events

IAS 10 defines events after the reporting period as events, favourable or unfavourable, that occur between the reporting date and the date the financial statements are authorised for issue. An adjusting event provides evidence of conditions that existed at the reporting date. A non-adjusting event is indicative of conditions that arose after the reporting date.

An adjusting event requires the entity to adjust the amounts recognised in the financial statements or to recognise items that were not previously recognised. Examples include the settlement of a court case after the year-end that confirms the existence of a present obligation at the year-end, the bankruptcy of a customer that confirms a receivable was impaired at the year-end, the sale of inventory after the year-end that provides evidence of its net realisable value, and the discovery of fraud or errors that show the financial statements were incorrect.

A non-adjusting event does not require an adjustment, but material events are disclosed. Examples include a business combination after the year-end, the disposal of a major subsidiary, a major purchase of assets, the destruction of a plant by fire, a decline in market value after the year-end, and a dividend declared after the year-end.

ADJUSTING AND NON-ADJUSTING EVENTS

Event	Treatment	Why

Event	Treatment	Why
Customer bankruptcy confirms a year-end receivable impairment	Adjust	Condition existed at the reporting date
Court judgment after year-end confirms a year-end obligation	Adjust	Evidence of a present obligation
Sale of inventory after year-end	Adjust	Evidence of net realisable value at year-end
Business combination after year-end	Disclose	Condition arose after the reporting date
Dividend declared after year-end	Disclose	No liability at the reporting date
Fire destroying a plant after year-end	Disclose	Condition arose after the reporting date

Going concern: the exception

Going concern is not an ordinary adjusting event. If management concludes after the reporting date that the entity is no longer a going concern, the financial statements should not be prepared on a going-concern basis, even if the deterioration occurred after the reporting date. A material uncertainty may require disclosure rather than a change of basis.

The auditor's going-concern assessment under ISA 570 considers events up to the date of the auditor's report. The accounting assessment under IAS 10 considers events up to the date the financial statements are authorised for issue. The two dates and the two assessments should be aligned.

A post-year-end loan covenant breach, a loss of a major customer, a funding withdrawal or a going-concern doubt can change the basis or the disclosure. The board should document the assessment and the plans.

The authorisation date matters

Events are assessed up to the date the financial statements are authorised for issue. If the board approves the statements on a later date, the assessment period extends to that date. Disclose the date.

Dividends and other non-adjusting events

A dividend declared after the reporting date is not recognised as a liability at the reporting date because no obligation existed at that date. It is disclosed in the notes. If the dividend is declared before the reporting date, the liability is recognised when the declaration creates a legal obligation.

A GDT tax assessment or a legal claim after the year-end needs a careful analysis. If the assessment relates to a tax position that existed at the year-end, it may be evidence of a liability or a provision; if it relates to a new issue, it is non-adjusting. IFRIC 23 and IAS 37 apply to the underlying uncertainty.

A major contract, a natural disaster, a change in law or a significant exchange-rate movement after the year-end is usually non-adjusting. The disclosure should explain the nature and the estimated financial effect, or state that the effect cannot be estimated.

CIFRS for SMEs Section 32

CIFRS for SMEs Section 32 Events after the End of the Reporting Period applies the same adjusting/non-adjusting distinction with a simpler disclosure set. The definitions, the going-concern exception and the dividend treatment are consistent with IAS 10.

The National Accounting Council's adoption determines the edition in Cambodia. Confirm the edition with the auditor before relying on a paragraph number, and apply the policy consistently.

Cambodian practice and audit

Cambodian financial statements are usually authorised for issue by the board or the sole director. The auditor's report is dated after the board approval and after the completion of the audit. The date of authorisation should be disclosed, and the subsequent-events review should cover the period up to that date.

The auditor's procedures under ISA 560 include reviewing minutes, management accounts, subsequent cash receipts, legal correspondence, tax notices and press reports. The auditor should also consider the GDT reassessment, the bank covenants and the related-party transactions after the year-end.

A bilingual representation letter and board minutes help evidence the authorisation date. If the financial statements are changed after the authorisation date, the change should be documented and, where necessary, the statements re-authorised.

- Board minutes and the authorisation date.
- Subsequent receipts, invoices and bank statements.
- Legal claims, tax notices and GDT correspondence.
- Dividends and shareholder resolutions.
- Going-concern assessment and subsequent funding.

Key facts

How this article is checked

Figures were verified against the sources listed below in November 2026 and are re-checked each January or when the rule changes. Written by Liv Bonito, Co-founder & Managing Director. General information, not advice on your situation: for that, talk to a partner.

QUESTIONS

Questions people ask

Is a dividend declared after the year-end a liability?

No. The obligation did not exist at the reporting date, so the dividend is not recognised as a liability. It is disclosed in the notes. If the dividend was declared before the year-end, the liability is recognised when the declaration creates a legal obligation.

Is a customer bankruptcy after the year-end an adjusting event?

It can be. If the customer's financial difficulty existed at the reporting date and the bankruptcy confirms the impairment, the receivable is adjusted. If the bankruptcy resulted from a new event after the year-end, it is non-adjusting and disclosed.

Does a tax assessment after the year-end adjust the financial statements?

It depends on the facts. If the assessment provides evidence of a tax position or obligation that existed at the year-end, it may require an adjustment or a provision. If it relates to a new issue, it is non-adjusting. IFRIC 23 and IAS 37 apply to the uncertainty.

What is the date of authorisation?

The date the board or the authorised body approves the financial statements for issue. Events after the reporting period are assessed up to that date, and the date is disclosed in the notes.

SOURCES

Where the rules come from

01 IAS 10 Events after the Reporting Period (https://www.ifrs.org/issued-standards/list-of-standards/ias-10-events-after-the-reporting-period/) — IFRS Foundation

02 IFRS for SMEs Accounting Standard, Section 32 Events after the End of the Reporting Period (https://www.ifrs.org/issued-standards/ifrs-for-smes/) — IFRS Foundation

03 IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 23 Uncertainty over Income Tax Treatments — IFRS Foundation

04 ISA 560 Subsequent Events and ISA 570 Going Concern — IAASB / KICPAA