

Important Dates
Significant Events

18.3.20

MCO implemented ¹

20.2.20

GMSC ²

30.1.20

WHO
declaration ³



Items
affected



PPE



Receivables



Inventory



Bank & cash



Loans



Capital



Revenue



Other income
statement items



Investments



Subsequent
events

Phenomenon

Assets underutilized or idle

Longer collection period

Cannot sell / Obsolescence

Cash depletion

Breach of loan covenants

Erosion of capital

Significant drop in revenue

Significant drop in business volume resulting in over-capacity

Drop in market value

Drastic change in business environment

Effect on Financial Statements

Write-down of assets

Bad debts

Write-down of slow-moving inventories

Going concern issue

Default in loan repayments

Going concern issue

Business sustainability

Provision for onerous contracts, write-off of excess overheads, etc

Impairment

Adjustments to financial statements and disclosures

Audit Issue

Assess recoverable value of PPE

Assess amount of bad debts and allowance for credit losses

Assess amount of slow-moving inventories

Assess ability of Company to continue its operations as a going concern

Reclassify defaulted loans to current liabilities. Assess if Company has going concern issue

Assess ability of Company to continue its operations as a going concern

Assess ability of Company to continue its operations as a going concern

Assess adequacy of provisions and write-offs

Write-down to market value

To assess whether the subsequent event is an adjusting or non-adjusting event

¹ Movement Control Order (MCO) implemented in Malaysia resulting in contraction of revenue and other consequent issues

² Global Stock Market Crash resulting in significant drop in share prices

³ World Health Organization (WHO) declaration of COVID-19 as a Public Health Emergency of International Concern which triggered audit issues relating to subsequent events and going concern