2017

IAASA desktop survey: Impairment testing in Irish listed companies' 2016/17 annual financial statements

DATED: 14 NOVEMBER 2017

THE IRISH AUDITING AND ACCOUNTING SUPERVISORY AUTHORITY (IAASA)

MISSION

To contribute to Ireland having a strong regulatory environment in which to do business by supervising and promoting high quality financial reporting, auditing and effective regulation of the accounting profession in the public interest

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1 Executive summary

Our survey found that:

- the total goodwill and intangible assets recognised by companies amounted to €24,716m, equivalent to 35% of those companies' aggregate equity or 8% of total non-current assets (NCAs);
- the top four sectors (containing nine companies) recognised 90% (€22,372m) of the total goodwill and intangible assets;
- 24% of the companies had an equity to market capitalisation ratio of greater than100%; and
- a further 10% of the companies had an equity to market capitalisation ratio of greater than or equal to 96%.

The total impairment charge recognised in the companies' Income Statements amounted to €227m. The total impairment charge comprised:

	€m
Goodwill impairment	10
Intangible asset impairment	148
Property, Plant & Equipment (PPE) impairment	32
Discontinued operations impairment	37
	227

The goodwill and intangible asset component of the impairment charge amounted to €158m. This represents an impairment ratio of 0.6% of the aggregate carrying value of goodwill and intangible assets recognised by the companies.

The survey found that the impairment disclosures made by a significant minority of the companies illustrated a combination of:

- incomplete information;
- boiler-plated disclosures lacking entity-specific information (qualitative or quantitative disclosures); and/or
- inappropriately aggregated disclosures rather than disclosures at individual (significant) cash generating unit (CGU) level.

Our survey also found instances of high quality disclosures of the impairment testing processes undertaken by some companies including where companies had clearly disaggregated disclosures at a 'significant' CGU level. We also identified a small number of instances where companies had provided more than the minimum disclosures required by international financial reporting standards (IFRS) (e.g. quantitative disclosures of changes to key assumptions were disclosed notwithstanding that no reasonably possible change to the key assumptions would lead to an impairment charge).

The following matters were detected as part of our survey:

(a) *Identification of CGUs and the level of aggregation of CGUs for impairment testing*
In 59% of companies there was an identifiable link between operating segments and CGUs for impairment testing. However, for thirty-five percent of the latter companies, it was unclear as to the link, if any, between the level at which CGUs are grouped for impairment testing and the level of operating segments before aggregation for IFRS 8 *Operating Segments* reporting purposes.

In addition, half of the companies which reported changes in the composition of CGUs did not disclose the reasons for those changes in the way that CGUs were identified. And none of these companies described the current and former methodologies for aggregating assets for CGUs.

(b) *Impairment disclosures required by each CGU*
Almost one in three of the companies that disclosed a discount rate did not provide a separate discount rate for each significant CGU opting to disclose a range of discount rates, an aggregate group discount rate or not disclose any discount rate.

In addition, almost one in four of the companies did not outline the basis for the discount rate used (i.e. a pre- or post-tax discount rate) or gave conflicting information as to whether a pre- or post-tax discount rate was used.

(c) *Terminal growth rate(s)*
29% of the companies disclosed a terminal growth rate for individual CGUs and 47% disclosed an average group terminal growth rate as distinct from a rate by individual CGU.

In addition, 42% of the companies that disclosed a terminal growth rate did not disclose the basis for attributing values to the long-term growth rate or the disclosure was not sufficient to comply with the financial reporting standard's requirements

(d) *Disclosure of the key assumptions and attributing values to key assumptions*
For a large minority of the companies the description provided of management's approach to determining the value(s) assigned to key assumptions was found to be boiler-plate in nature; rather it contained limited information that could apply to a wide range of companies and lacked company specific information when compared to the specific information as set out in the financial reporting standard.

58% of companies disclosed their approach to determining the value(s) assigned to at least one, but not all, of the key assumptions (other than the discount rate and long-term growth rate).

(e) *Reasonably possible changes in key assumptions*
80% of the companies that quantified reasonably possible changes to key assumptions, disclosed some, but not all, of the disclosures required by IFRS.

(f) *Multiple CGUs carrying goodwill or intangible assets that are individually insignificant but collectively significant*
36% of the companies having individual CGUs with insignificant amounts of goodwill or intangible assets did not appear to disclose the information required for multiple CGUs' where the aggregate carrying amount of goodwill or intangible assets allocated to them is significant.

2 Introduction – impairment testing of non-financial assets

The magnitude of goodwill and other intangible assets recognised by many Irish listed companies together with the non-amortisation of goodwill and indefinite-life intangible assets increases the reliance that must be placed on the impairment tests of those assets and CGUs.

Accurately forecasting the amount and timing of future cash flows for companies' CGUs beyond a few years has become even more difficult in recent years and involves the application of significant management judgement and a need to reflect greater uncertainty in the cash flow projections covering the period of management forecasts and beyond. The unquantified effects from international events and other sources of uncertainty must be reflected in companies' impairment testing methodologies and the key assumptions applied therein. Examples of these events include: volatility in foreign exchange rates, historically low but increasing interest rates, volatility in commodity prices, inflation expectations, barriers to access key international markets which may inhibit companies' ability to do business on normal trading terms..

The degree of companies' compliance with IAS 36 *Impairment of Assets* has been a recurring topic in our financial reporting examination activities for a number of years resulting in a number of financial reporting enforcement decisions.

To-date such financial reporting enforcement decisions have been largely disclosure related. However, our accumulated examination experience, together with our participation at the European Securities and Markets Authority (ESMA) sponsored European Enforcement Co-ordination Sessions (EECS) suggests that the recognition, measurement and disclosures related to companies' impairment testing of non-financial assets merits ongoing and closer examination. ESMA published a survey titled, European enforcers review of impairment of goodwill and other intangible assets in the IFRS financial statements, which is relevant in this context.

Consequently, IAASA has conducted this impairment testing survey of selected Irish listed companies' impairment testing methodologies (i.e. recognition, measurement and disclosure).

3 Financial reporting examination remit of IAASA

The Irish Auditing and Accounting Supervisory Authority (IAASA), Ireland's accounting enforcer, is tasked with examining the annual and half-yearly financial reports (together 'periodic financial reports') of certain equity, debt and closed-ended fund entities with securities admitted to trading on a regulated market within the European Union (EU) (together 'issuers') for compliance with the relevant reporting framework. The relevant reporting framework for the purposes of this document is confined to those companies preparing their financial statements under IFRS as that is the accounting framework applicable to the 29 companies forming the basis for this desktop survey[1].

4 Purposes of this survey

The purpose of this survey is to:

(a) provide an overview of the companies' impairment testing methodologies (recognition and measurement) applied to non-financial assets (predominately goodwill, intangible assets and PPE);

(b) provide an overview of the companies' qualitative and quantitative disclosure of impairment testing methodologies in their 2016/17 annual financial statements;

(c) encourage preparers, management and directors to provide sufficiently detailed and entity specific disclosures about their impairment testing methodologies and key assumptions underpinning the recoverable amount of assets; and

(d) encourage companies to provide high quality disclosures at a level that is appropriately disaggregated at CGU level.

The results of our observations from this survey will be used to inform our future financial statement examination activities.

This survey was limited to a desktop examination of companies' 2016/17 financial statement. We did not seek explanations from the companies concerned. Due to the inherent limitations of a desktop examination, the survey could not assess why certain disclosures were omitted by some companies or on what basis the presentation was deemed appropriate by the company.

[1] i.e. Allied Irish Banks plc, a debt issuer at 31 December 2016, and the 28 equity issuers falling with IAASA's financial reporting remit (Appendix I refers)

5 Scope of the Report

This survey is based on the 2016/17 annual financial statements published by all twenty-eight equity entities falling within IAASA's financial reporting examination remit together with Allied Irish Banks plc (a debt issuer as at 31 December 2016). Appendix I to this document sets out the specific annual financial statements included in this survey, classified by sector.

The results of the survey are reported under the following topics:

(a) general information on the impairment testing processes applied to non-financial assets and the impairment charges [Section 7 to 9];

(b) determination of the recoverable amount of assets including: the level of CGUs and aggregation for impairment testing, the discount rate(s), terminal growth rate(s) and the period covered by cash flow forecasts [Section 10 to 14];

(c) disclosure of the key assumptions together with reasonably possible changes in key assumptions: including discount rates, long-term growth rates and other key assumptions [Section 15 to 16]; and

(d) multiple CGUs carrying goodwill or intangible assets that are individually insignificant and collectively significant [Section 17].

6 Overview of IAS 36 *Impairment of Assets* requirements

The objective of IAS 36 is to prescribe the procedures that an entity applies to ensure that its assets are carried at no more than their recoverable amount and prescribes relevant disclosures. IAS 36 applies to assets that are carried at revalued amount in accordance with other IFRSs, such as the valuation model in IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* [IAS 36.5 refers]. If the recoverable amount of an asset is less than its carrying amount, then the carrying amount of the asset shall be reduced to its recoverable amount [IAS 36.59 refers].

If there is an indication that an asset may be impaired, the recoverable amount shall be estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an entity shall determine the recoverable amount of the CGU to which the asset belongs [IAS 36.66 refers]. Each unit (or group of units) to which goodwill is allocated shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and shall not be larger than an operating segment before aggregation (as defined by IFRS 8.5).

Extensive disclosures are required by IAS 36.126 – 135. Illustrative Example 9 illustrates the disclosures required by paragraphs 134 and 135 [IAS 36.137 refers]. The disclosures concerning sources of estimation uncertainty as set out in paragraphs 117, 125 and 129 of IAS 1 *Presentation of Financial Statements* are also relevant.

7 General information on goodwill and intangible assets

The total goodwill and intangible assets recognised by companies amounted to €24,716m, equivalent to 35% of companies' equity or 8% of total non-current assets. The top four sectors (containing nine companies) recognised 90% (€22,372m) of total goodwill and intangible assets. The ratio of goodwill and intangible assets to non-current assets increases to an average 46% for companies in the top four sectors (see Table below). There are large variances in the ratio of total goodwill and intangible to non-current assets ratio (NCAs) within sectors and across individual companies. In 45% of companies the goodwill & intangible assets to total NCA ratio exceeded 50%.

The amount of goodwill and intangible assets recognised by the Irish listed companies in the survey, analysed by sector, for annual reports ending during 2016/17 is as set out in the following Table.

Goodwill and intangible assets recognised by the Irish listed equity companies analysed by sector

Sector	Goodwill recognised on the SOFP[2]	Intangible assets recognised on the SOFP	Total goodwill & intangibles recognised	Total non-current assets (NCAs)	Ratio of goodwill & intangibles to NCAs
	€m	€m	€m	€m	%
Building Materials & Construction	9,048	509	9,557	25,306	38%
Food, Convenience Food, Nutrition & Ingredients	5,545	3,128	8,673	14,014	62%
Containers, Paper & Packaging	2,298	180	2,478	6,152	40%
Sales, Marketing, Distribution & Business Support	1,204	460	1,664	2,916	57%
Financial Institutions	-	1,061	1,061	242,352	0.5%
Beverages	404	126	530	734	72%
Biotechnology & Pharmaceutical	345	97	442	601	74%
Oil, Gas & Mining	-	80	80	849	9%
Financial Services	37	27	64	69	93%
Hospitality &Leisure	34	20	54	887	6%
Publishing & Broadcasting	20	28	48	106	45%
Airline & Transportation	-	47	47	7,327	0.6%
Technology & e-Business	-	18	18	23	78%
Housebuilding	-	0.5	0.5	28.3	2%
Total[3]	18,935	5,782.2	24,716	301,364	8.2%

Impairment testing – the survey results

8 Indicators of impairment

External indicators of impairment

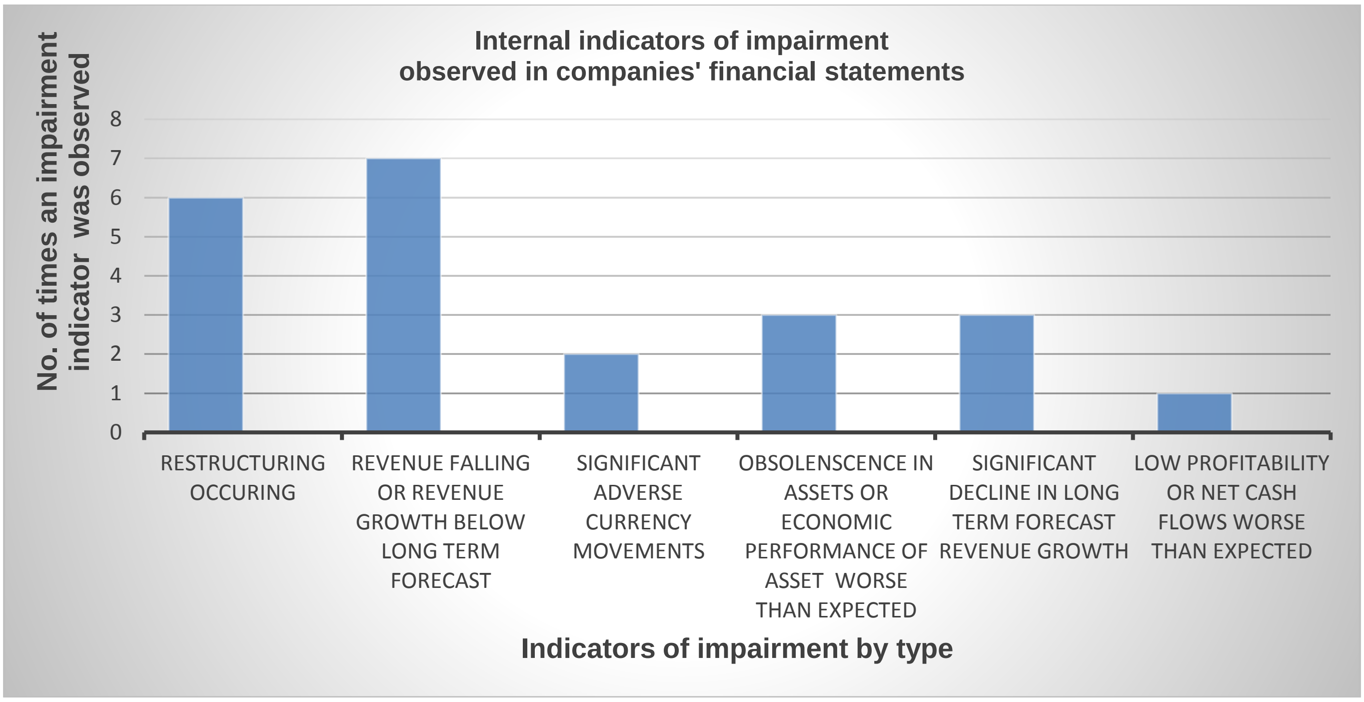
An equity to market capitalisation ratio of greater than 100% is one of the external sources of information indicating that an asset may be impaired [IAS 36.12(d)]. 24% of the companies had an equity to market capitalisation ratio of greater than 100%. A further 10% of companies had an equity to market capitalisation ratio of greater than or equal to 96%. The highest average equity to market capitalisation ratios were in the Oil, Gas & Mining (172%), Financial Institutions (129%), and Real Estate Investment Trust (100%.) sectors

Internal indicators of impairment

76% of the companies reported a number of factors that indicate assets may be impaired and, therefore, the companies were required by IFRS to estimate the recoverable amount of the asset. The chart below sets out the more common indicators of impairment. In many cases, companies presented more than one indicator of impairment, based on both internal and external indicators [IAS 36.12 refers].

[2] Statement of Financial Position

3 The data of companies reporting in currencies other than Euros have been translated at a spot rate as at the reporting date in order to facilitate comparison of data



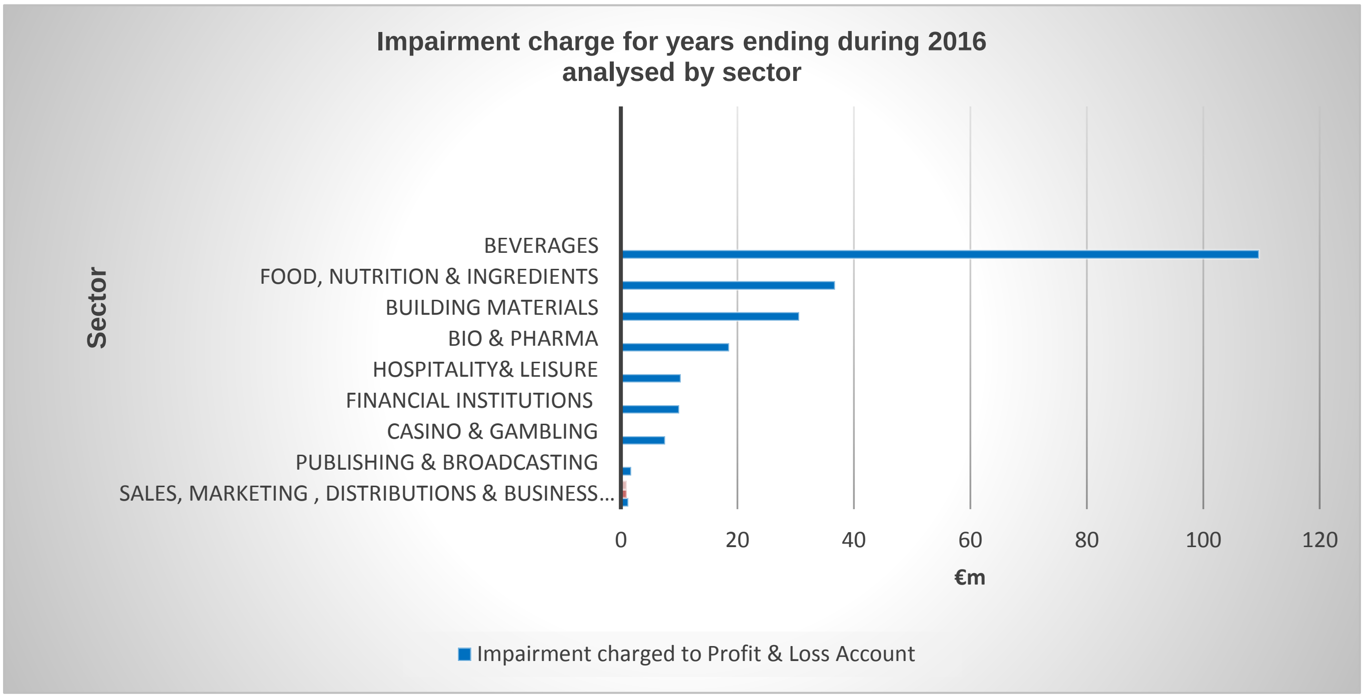
9 General information on impairment testing of non-financial assets

Findings – impairment charge and ratio of impairment charge

The total impairment[4] charge recognised in the companies' Income statements amounted to €227m, comprising goodwill impairment €10m, intangible asset impairment €148m, PPE impairment €32m, and discontinued operations impairment €37m.

[4] Total impairment charge refers to iimpairment of goodwill, intangible assets, PPE or other non-financial assets e.g. discontinued operations

The Chart below sets out the impairment charge recognised in 2016/17 analysed by sector for years ending during 2016/17.



The goodwill and intangible asset component of the impairment charge amounted to €158m. This represents an impairment ratio of only 0.6% of the aggregate carrying value of goodwill and intangible assets recognised by the companies at the reporting date.

A small number of the companies having an equity to market capitalisation ratio in excess of 100% and carrying material amounts of goodwill or intangible assets were found to have recognised minimal or no impairment charges.

48% of the companies recognised an impairment charge for either goodwill, intangible assets, PPE or other non-financial assets and/or discontinued operations during 2016/17. While the total impairment charge was spread across different companies, CGUs and across multiple sectors (see Chart above), only 10% of companies recognised a material impairment charge relative to their profit before tax for the year. The amount of the impairment charge recognised by most of the companies was not material.

Disclosure of the events and circumstances leading to an impairment
80% of the companies complied with the minimum requirement of IAS 36.130(a) to disclose the events and circumstances that lead to the recognition (or reversal) of an impairment loss.

However, the description of the circumstances that lead to impairment was found to be boiler-plate, general in nature and non-specific for a large minority of the companies. Companies' descriptions were often in vague and unclear terms, e.g. reference to 'a review of the business' or 'a reduction in capacity'. In contrast, some companies disclosed higher quality and entity-specific information that was useful to users, e.g. exiting a specific market segment, falling sales in a specific country or product/service.

Furthermore, the companies' explanations for the events leading to impairment charges were occasionally spread across various sections of the Annual Report (most often in the Management Commentary and/or Financial Review) without being cross-referenced to the impairment note in the financial statements.

IAASA commentary – General information on impairment testing
The low rate of goodwill and intangible impairment charge is in contrast to the large number of companies that have reported one or more internal/external indications of impairment. Only a small number of companies have recognised a material impairment charge. This finding is similar to the results of an ESMA review of impairment in IFRS financial statements published in January 2013[5].

In general, the low ratio of impairment charges[6] of goodwill and intangible assets (indefinite lives) is also in contrast to the significant increases in the equity to market capitalisation ratio reported by a significant minority of companies and/or companies reporting an equity value that is more than their market capitalisation. It is acknowledged that market capitalisation is also impacted by other factors such as investor sentiment, low liquidity or risk appetite.

For a large minority of the companies the description of the circumstances that led to an impairment charge was found to be boiler-plate, vague in nature and non-entity specific. There is scope for much improvement in these disclosures in companies' financial statements.

10 Basis for determining the recoverable amounts

IAS 36.134(c) requires companies to disclose for each CGU (or group of units for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit is significant), the basis on which the unit(s) recoverable amount has been determined (i.e. value-in-use (VIU) or fair value less costs of disposal (FVLCOD)).

Findings –Determination of the recoverable amount of assets
86% of the companies (having material CGUs with significant amounts of goodwill and intangibles or other non-financial assets) disclosed that a VIU calculation was the basis for determining the recoverable amount of assets. A further 5% of the companies did not disclose the basis for determining the recoverable amount of assets (notwithstanding there being a material amount of intangible assets recognised on the Statement of Financial Position). The remaining 9% percent of the companies stated that VIU or FVLCOD was the basis for determining the recoverable amount of assets.

Fair value less cost of disposal
Where both VIU and FVLCOD was used to determine the recoverable amount of assets or CGUs it was noted that the information required by IAS 36.134(e) was not disclosed for assets measured at FVLCOD. In the absence of this information, it is not possible for users to determine whether or not the FVLCOD was based on a quoted price or whether a different valuation technique (e.g. discounted cash flows) was used.

IAASA commentary – determination of the recoverable amount of assets
86% of the companies (having material CGUs with significant amounts of goodwill and intangibles or other non-financial assets) disclosed that a VIU calculation was the basis for determining the recoverable amount of assets.

However, where both VIU and FVLCOD was used to determine the recoverable amount of assets or CGUs we noted that the information required by IAS 36.134(e) was not disclosed for assets measured at FVLCOD. Companies with assets/CGUs whose recoverable amount is measured at FVLCOD need to ensure they comply, in full, with the disclosure requirements of IAS 36.134(e).

[5] https://www.esma.europa.eu/sites/default/files/library/2015/11/2013-02.pdf
[6] The ratio of impairment charges is measured as the amount of goodwill and intangible assets (indefinite lives) as a percentage of the total carrying amount of goodwill and intangible assets

11 Identification of CGUs and the level of aggregation for impairment testing

IAS 36.68 states that in identifying the CGU to which an asset belongs, a CGU is the smallest group of assets that includes the asset and generates cash 'inflows' that are 'largely independent' of the cash inflows from other assets or groups of assets. In addition, IAS 36.80 states that each unit (or group of units) to which the goodwill is so allocated shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes.

IAS 36.80(b) states that each CGU shall not be larger than an operating segment as defined by paragraph 5 of IFRS 8 Operating Segments before aggregation. It is necessary that CGUs be assessed for impairment at the lowest level, so that the results of CGUs that are impaired are not obscured by the results of other CGUs with excess headroom above the carrying amount.

Findings – Aggregation of CGUs used for impairment testing and comparison to operating segments
In 59% of cases there was a strong indication of an identifiable link between operating segments and CGUs for impairment testing. Only 3% of the companies which had disclosed multiple operating segments did not disclose their CGUs. 38% of the companies did not disclose CGUs; however, this was explained by a low level of goodwill and intangible assets and other mitigating factors rather than an indication of non-compliance with IAS 36.

Of the 59% above, there was evidence in 65% of those companies that CGUs were at a lower level than operating segments used for IFRS 8 purposes as required by IAS 36.80. For the remaining 35% of those companies it was unclear as to the link, if any, between the level at which CGUs were aggregated for impairment testing and the level of operating segments before aggregation for IFRS 8 purposes. It was outside the scope of our desktop examination to determine the extent to which companies' CGUs were the smallest group of assets that generates cash 'inflows' that are 'largely independent' of the cash inflows from other assets.

Changes in the composition of CGUs – disclosures required
IAS 36.130(d)(iii) states that, if the aggregation of assets for identifying the CGU has changed since the previous estimate of the CGUs recoverable amount, an entity shall disclose a description of the current and former way of aggregating assets and the reasons for changing the way the CGU is identified.

32% of relevant companies, (i.e. those companies that disclosed information about their CGUs) disclosed changes in the composition of CGUs. Of the companies that reported changes in the composition of CGUs, 50% disclosed the reasons for changes in the way that CGUs were identified and the remaining 50% did not disclose this information. In addition, few companies described the current and former way of aggregating assets for CGUs.

In the absence of further information about the facts and circumstances of the companies concerned, it was not possible to determine whether or not this indicates non-compliance with IAS 36 or whether the presentation is justified by the particular fact pattern of the companies. This information is of particular importance to users of the financial statements where there is on-going business restructuring and/or where there is acquisition activity being undertaken.

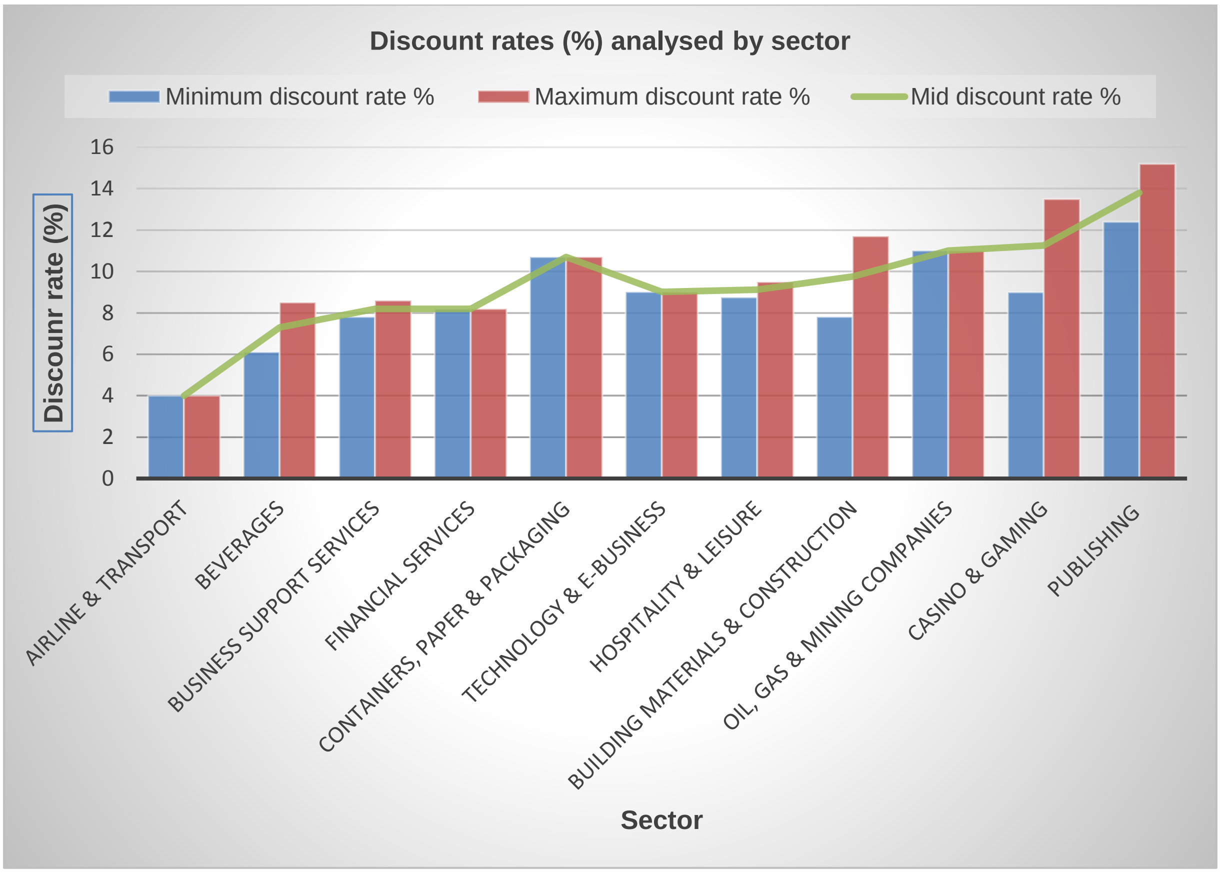
IAASA commentary – aggregation of CGUs
For a majority of the companies there was strong evidence of an identifiable link between operating segments and CGUs for impairment testing. However, for a significant minority of the companies it was unclear as to the link, if any, between the level at which CGUs are grouped for impairment testing and the level of operating segments before aggregation for IFRS 8 reporting.

Where companies disclosed changes in the composition of CGUs, half did not disclose the reasons for changes in the way that CGUs were identified or did not disclose any mitigating factors that justified their presentation. Of the relevant population, few companies described the current and former way of aggregating assets for CGUs. This information is important to users where entities are restructuring their CGUs or are acquiring and or disposing of assets that alter the CGUs composition.

12 Discount rate(s)

Discount rate by sector

Where disclosed, the discount rates (across CGUs and across companies/sectors) ranged from 4% at the lower end (Airlines & Transportation) to 15.2% (Publishing). The majority of sectors had a mid-discount rate[7] above 8% as indicated by the **green line** in the Chart below. The diversity in the discount rates (maximum, minimum and mid-point) within a single company with multiple CGUs and across different companies and different sectors is indicative of CGU-specific risk being incorporated into the discount rates used by many companies.



Where the discount rate was disclosed, four companies disclosed increasing discounts rates compared with the prior year, five companies disclosed decreasing discount rates and six companies reported no change in the discount rates. Indeed, in some instances the rate had no changes for two or more years. Three of the companies disclosed no comparative amounts.

Average, individual or aggregated group rate

IAS 36.134 (d)(v) and IAS 36.134 (e)(v) require entities to disclose the discount rate(s) applied to the cash flow projections for each CGU with significant goodwill. IAS 36.55 states that for VIU, the discount rate(s) must be pre-tax discount rate(s) that reflect current market assessments of the time value of money and of the specific risks for which the future cash flows estimates have not been adjusted. Companies often use the Weighted Average Cost of Capital model (WACC) to calculate the discount rate in determining the VIU of assets/CGUs. However, it is important to note that IAS 36.A19 requires the discount rate to be independent of the capital structure of the entity i.e. the discount rate must reflect the return that investors would require if they were to choose an investment that would generate cash flows of similar amounts, timing and risk profile.

[7] Mid-discount rate refers to the mid-point between the minimum discount rate and the maximum discount rate reported by a company having multiple CGUs

Findings – disclosure of the discount rate
21% of the companies did not recognise any goodwill or intangible assets (or amounts were immaterial) or there were other mitigating factors evident for the presentation and, therefore, they did not disclose a discount rate.

Of the remaining relevant population, 83% disclosed a discount rate. A further 17% of companies did not disclose a discount rate as required by IAS 36.134, notwithstanding there was a material amount of goodwill or intangible assets (with an indefinite life) recognised. A more detailed analysis of the discount rates disclosed is set out below.

Findings – discount rate for individual CGUs
IAS 36.134(d)(v) requires entities to disclose the discount rate(s) applied to the cash flow projections for each CGU (or group of CGUs) for which the carrying amount of goodwill or intangible assets with indefinite useful lives is significant in comparison to the total amount of goodwill or intangible assets with indefinite useful lives. The meaning of 'significant' in this context is not defined.

For the relevant population of the companies (i.e. companies that disclosed a discount rate), the following were noted:

- 68% disclosed a separate discount rate by individual CGU as required by IAS 36.134(d)(v) and IAS 36.134(e)(v);
- nearly one in three of the companies did not provide a separate discount rate as required by IAS 36.134;
- 16% of the companies disclosed a discount rate within a range (as distinct from a discount rate by individual CGU);
- a further 11% disclosed an aggregated rate that was applied to all CGUs rather than an individual rate for individual CGUs; and
- 5% did not disclose a discount rate when, on the basis of the information in the financial statements, disclosure appeared to be required.

Pre- or post-tax discount rate
IAS 36.55 states that the discount rate shall be a pre-tax rate(s) that reflect(s) the current market assessment of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Excluding those companies where there were no material CGUs or there were other mitigating factors, we found that:

- 76% of the relevant companies disclosed that a pre-tax discount rate was used in the VIU calculation; and
- 24% of companies did not disclose this information.

This latter group comprised 14% of companies (recognising material amounts of intangible assets) which did not disclose any information about the discount rate, and 10% of companies which disclosed conflicting information as to whether a pre or post-tax discount rate was used. See Section 15 below for further information related to companies' disclosure of the discount rate.

IAASA commentary – discount rate(s)
The majority of the companies had a mid-discount rate above 8%.

The survey identified that discount rates (across CGUs' and across companies/sectors) fell within a range from 4% (Airlines & Transportation) to 15.2% (Publishing).

A large majority of companies (83%) disclosed a discount rate. However, almost one in four of affected companies did not disclose whether the discount rate was pre- or post-tax or gave conflicting information, notwithstanding that there was a material amount of goodwill and/or intangible assets (with an indefinite life) recognised.

For those companies that disclosed a discount rate, a majority of companies (68%) disclosed a separate discount rate by individual CGU as required by IAS 36.134(d)(v) and IAS 36.134(e)(v). However, almost one in three companies did not provide a separate discount rate as required by IAS 36.134; rather they disclosed either a range of discount rates, an aggregate group discount rate or did not disclose any discount rate. The failure to disclose a discount in accordance with the requirements of IAS 36.134(d)(v) and IAS 34.136 (e)(v) limits users' ability to understand one of the key assumptions of companies VIU calculations. Such disclosure is a specific requirement of IAS 36.

13 Terminal growth rate(s)

Paragraph 134(d)(iv) of IAS 36 states that if a CGU's or group on CGUs' recoverable amount is based on VIU, the entity shall disclose:

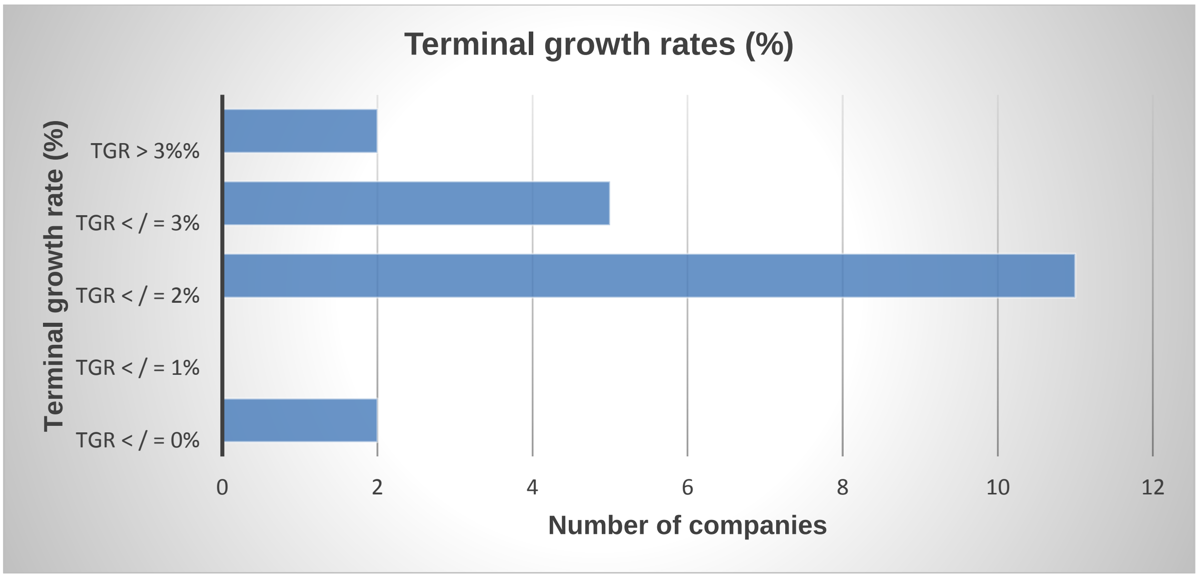
(a) the growth rate used to extrapolate cash flow projections beyond the period covered by the most recent budgets/forecasts; and

(b) the justification for using any growth rate that exceeds the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market to which the unit (group of units) is dedicated.

The terminal value is the value attributed to the cash flows beyond the period covered by the most recent budgets. The terminal value growth rate (or its equivalent such as earnings multiples) is a significant component in determining the recoverable amount of assets. A movement in the terminal growth rate can significantly affect the VIU calculation. Companies need to ensure that the basis for the cash flows are 'normalised' and sustainable cash flows and there is objective and reliable data that justifies the use of terminal period growth rates (especially average growth rates) for the product, industries, markets or countries in which the asset/CGU is used.

IAS 36.36 states that the cash flow projections until the end of an asset's useful life (i.e. the long-term growth rate) is steady or declining, unless an increase in the rate matches objective information and, if appropriate, the growth rate is zero or negative.

The profile of terminal growth rates that was disclosed by companies is set out in the following Chart.



The most common terminal value growth applied to CGUs by companies was within a range of 1% to 2%. This would suggest that, in general, a large amount CGUs are based upon long-term growth rates that are at or below the long-term growth rates of the products, countries or markets in which they operate. The recoverable amount of a number of individual CGUs across a number of sectors was based on growth rates of 3% or more. These were to be found in the Food, Nutrition & Ingredients sector (4.9% terminal growth rate) and in the Casino & Gaming sector (5% terminal growth rate). On the few occasions where the long-term growth rate appeared to exceeded the long-term average growth rate for industries, or country or countries in which the entity operates, a the justification for using a higher growth rate was not disclosed.

Findings – terminal value growth rate
Excluding companies that had no CGUs or where the IAS 36.134(d)(iv) disclosures were not relevant only 29% of companies disclosed a terminal growth rate for individual CGUs (as defined by IAS 36.134).

47% of companies disclosed an average group terminal growth rate as distinct from a rate by individual CGU as defined by IAS 36.134(d).

The remaining 24% of companies provided other information including 6% using a terminal growth rate for all CGUs that was based on an annuity without quantifying the growth rate, 6% failing to make reference to or quantify the terminal growth rate and 12% of companies disclosing an earnings multiple rather than a terminal growth rate. Where an earnings multiple was used, it was not transparent as to what general criteria had been used to select comparable market data.

IAASA commentary – terminal growth rate(s)
The most common terminal/long-term growth rate applied to CGUs by companies was within a range of 1% to 2%. This would suggest that a large amount CGUs are based upon long-term growth rates that are at or below the long term growth rates of the products, countries or markets in which they operate.

Only 29% of companies disclosed a terminal growth rate for individual CGUs (as defined by IAS 36.134). Most companies (47%) disclosed an average group long-term growth rate, as distinct from a rate by individual CGU as defined by IAS 36.134(d).

There appears to be considerable room for improvement in companies' disclosure of the terminal growth rate for individual 'significant' CGUs, or for companies to explain more clearly why an aggregate rate for sometimes disparate markets is appropriate.

14 Period covered by cash flow budgets and forecasts

IAS 36.35 states that management may use cash flow projections based on financial budgets and forecasts over a period longer than five years if they are confident that these projections are reliable and they can demonstrate their ability, based on past experience, to forecast cash flows accurately over that longer period.

Where the CGUs recoverable amount is based on VIU, IAS 36.134(d)(iii) requires companies to disclose the period over which management has projected cash flows based on financial budgets and forecasts approved by management and, when a period greater than five years is used for a CGU (or group of units), an explanation as to why that longer period is justified.

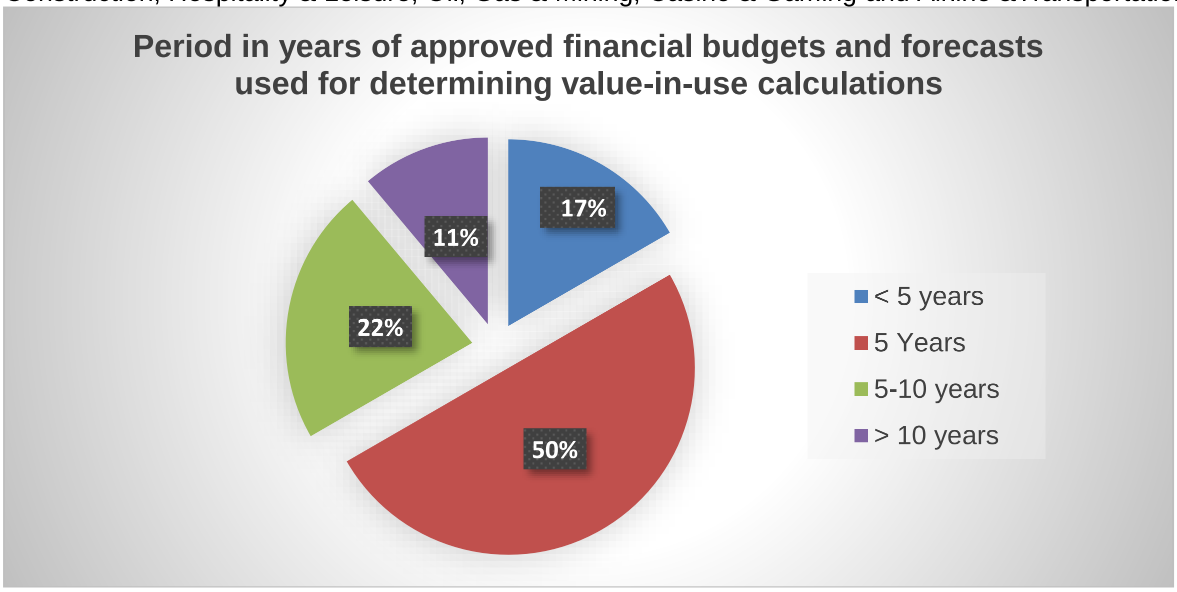
Findings – period (years) covered by cash flow forecasts used in VIU calculations
21% of the companies disclosed that the period over which management has projected cash flows based on financial budgets/forecasts (i.e. approved by management) exceeded five years. The periods ranged from nine years (Containers, Paper and Packaging to 40 years (Oil, Gas and Mining).

41% of the companies disclosed the period over which management had projected cash flows based on financial budgets and forecasts approved by management was five years or less.

4% did not disclose the period of the forecasting period used by management.

For 34% of the companies this disclosure was not relevant on the basis that selected companies had recognised little or no goodwill and intangible assets together with other mitigating factors.

The longest forecasting period used by management in determining the VIU was used in selected companies operating in the following sectors: Containers, Paper and Packaging, Building Material & Construction, Hospitality & Leisure, Oil, Gas & Mining, Casino & Gaming and Airline &Transportation.



Finding – companies' justification for using a cash forecast period greater than five years
The explanations disclosed by companies as to why a forecast period of greater than five years was used varied across companies. Explanations included:

(a) the cyclical nature of the business and long term nature of the assets;

(b) the company's historical experience of earnings and cash flow generation;

(c) the period corresponds to valuation basis used by independent external valuers' when valuing assets;

(d) the period corresponds to the life of the company's only asset; and

(e) the longer period is consistent with the expectations for market development and growth in market share.

IAASA commentary – period covered by cash flow budgets and forecasts
IAS 36.35 notes that detailed, explicit and reliable financial budgets of future cash flows for periods longer than five years are generally not available.

It is important that companies ensure that the cash flow projections during the budget period (and key assumptions) are reliable and sustainable reflecting 'normalised' cash flows as the forecast cash flow projections form the basis for extrapolating cash flow beyond the period of management budgets.

IAASA encourages companies to disclose more company-specific reasons as to why the cash flow forecasts for VIU purposes greater than five years are reliable and, in particular, how they have demonstrated that reliability where the forecast period is longer than five years.

15 Disclosure of the key assumptions

Discount rates, long-term growth rates and other key assumptions
IAS 36.134(d)(i) and IAS 36.134(d)(ii) state that if the CGUs recoverable amount is based on VIU, an entity shall disclose:

(a) each key assumption on which management has based its cash flow projections for the period covered by the most recent budgets and forecasts. Key assumptions are those to which the CGU's (group of units') recoverable amount is most sensitive;

(b) a description of management's approach to determining the value(s) assigned to each key assumption, whether those value(s) reflect past experience, or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information.

The requirement to disclose the key assumptions is distinctly separate from, and in addition to, the requirement to disclose the growth rate and discount rate referred to in IAS 36.134(d) and IAS 36.134 (e). The concept of key assumptions underpinning the cash flow projections is intended to require disclosure of each key assumption used in the cash flow projections and is not confined to the discount rate and the terminal growth rate. There are similar disclosures required for CGUs where the recoverable amount is based on FVLCOD [IAS 36.134(e)(i) and (ii) refers].

Illustrative Example 9 of IAS 36 illustrates the nature and type of disclosures required by IAS 36.134 and that is necessary to enable users to gain an understanding of the key assumptions underpinning cash flow projections. In this context, a boiler-plate reference to the key assumptions of cash flow forecasts without adding further context (i.e. the approach to attributing values, whether they are consistent with past experience or with external sources of information) does not meet, in full, the requirements of the financial reporting standard.

Finding – description of the key assumptions
89% of the companies identified several key assumptions on which management based its cash flow projections for the most recent budgets/forecasts in addition to the discount rate and the long-term/terminal growth rates. Most companies referred to three or more key assumptions underpinning the cash flow projections. The most common key assumptions referred to by the companies were growth rates, gross margins for the budget period, future profitability growth, capital expenditure, working capital, cost expectations/operating costs or variations thereof.

Finding – description of managements approach to determining the value(s) assigned to each key assumption
42% of the companies did not disclose the approach to determining the value(s) assigned to *at least one or more* other key assumptions on which cash flow projections covered by recent forecasts were based (excluding discount rate & long-term growth rate). This information is specifically required to be disclosed by IAS 36.134(d)(v) and illustrated in IE 9 of IAS 36. 58% of companies disclosed their approach to determining the value(s) assigned to *at least one* key assumption (other than the discount rate and long-term growth rate).

IAASA commentary – disclosure of other key assumptions (excluding discount rate or long term growth rates)
Most companies referred to three or more key assumptions underpinning the cash flow projections. However, in a large minority of companies, the description provided of management's approach to determining the value(s) assigned to key assumptions, with some notable exceptions, was found to be boiler-plate, contained limited information that could apply to a wide range of companies and lacked company specific information when compared to the specific information as set out in Illustrative Example 9 of IAS 36.

These omissions relate to assumptions that the companies themselves identified as being sensitive in the determination of the cash flow projections. Illustrative Example 9 sets out the type of disclosures that are expected of companies in this regard. 58% of the companies disclosed their approach to determining the value(s) assigned to at least one, but not all, key assumptions (other than the discount rate and long-term growth rate).

Finding – whether key assumptions reflect past experience and/or are consistent with external sources of information
63% of relevant companies referred to the recent cash flow budgets and forecasts being based on past experience and or recent historical performance. The remaining 37% of companies were either silent as to whether or not key assumptions were consistent with past experience or the disclosure was unclear. A number of companies, however, referred to forecasts based on management expectations without clarifying the nature of the basis for those expectations.

47% of relevant companies did not clarify whether or not recent cash flow budgets and forecasts were consistent with external sources of information. Few companies identified the external source of information in the same specific terms as illustrated in IE 9 of IAS 36. A number of the companies stated that in preparing forecasts they has 'considered' external sources of information; however, the Standard requires clarification as to whether or not the key assumptions underpinning forecasts were consistent with external information and, if they differ, to explain why they differ.

IAASA commentary – whether key assumptions were consistent with past experience and external sources of information
A majority of companies (63%) disclosed that recent cash flow budgets and forecasts were consistent with past experience and or recent historical performance, however a significant minority (37%) of companies were either silent as to whether or not key assumptions were consistent with past experience or the disclosure was unclear. In addition, 47% of relevant companies did not clarify whether or not recent cash flow budgets and forecasts were consistent with external sources of information.

There is, therefore, ample room for improvements in companies' disclosure of information required by IAS 36.134(d)(ii).

Finding – approach to determining the discount rate
Excluding companies that had no material CGUs or where the IAS 36.134(d)(iv) disclosures were not relevant, 89% of companies described management's approach to determining the discount rate and 11% of companies did not disclose the discount rate as required by IAS 36.134. A large majority of companies that referenced the discount rate referred to the use of WACC or a risk-adjusted discount rate without providing any further description of how the value was determined. However, only a small number of the companies gave high quality and concise narrative information describing adjustments for a specific beta co-efficient or country risk premiums that are required to reflect risks associated with individual CGUs.

IAASA commentary – disclosure of the discount rate
A large majority of the companies referred to the use of WACC or a risk-adjusted discount rate without providing any further description of how the value is determined. However, only a small number of the companies gave high quality and concise narrative information describing adjustments for a specific beta co-efficient and country risk premiums that are required to reflect risks associated with individual CGUs.

We noted a small number of the companies that disclosed discount rates that remained unchanged for a number of years notwithstanding changes in market rates over that time. This indicated to us that some companies determination of the discount rates used in the measurement of the recoverable amount of CGUs may need to be reassessed [IAS 36.55, IAS 36.A15 to IAS 36.A18 refer].

Finding – Long-term growth rate(s)/Terminal growth rate(s)
58% of relevant companies disclosed the basis for determining the terminal/long-term growth rate and 42% of companies did not disclose the basis for attributing values to the growth rate or the disclosure was not sufficient to comply in full with IAS 36.134(d)(ii).

IAASA commentary – long-term growth rate(s)/terminal growth rate(s)
The long-term growth rate is a significant component of the recoverable amount of assets where the VIU is used. IAS 36.134(d)(v) specifically requires entities to disclose for each CGU the growth rate used to extrapolate cash flow projections beyond the period covered by the most recent forecasts. A large minority of the companies (42%) do not appear to have complied with this requirement in full. Based on these findings, there appears scope for companies to explain more clearly why they have not disclosed information about the long-term growth rate by each CGU (as defined by IAS 36.134).

16 Reasonably possible changes in key assumptions

IAS 36.134(f) states that if a reasonably possible change in key assumptions on which management has based its determination of the CGU's recoverable amount would cause the CGU's carrying amount to exceed its recoverable amount, then the entity shall disclose:

(a) the amount by which the CGU's (group of units') recoverable amount exceeds its carrying amount;

(b) the value assigned to the key assumptions;

(c) the amount by which the value assigned to the key assumptions must change (after incorporating any consequential effects of that change on the other variables used to measure recoverable amount) in order for the CGU's (group of units') recoverable amount to be equal to its carrying amount.

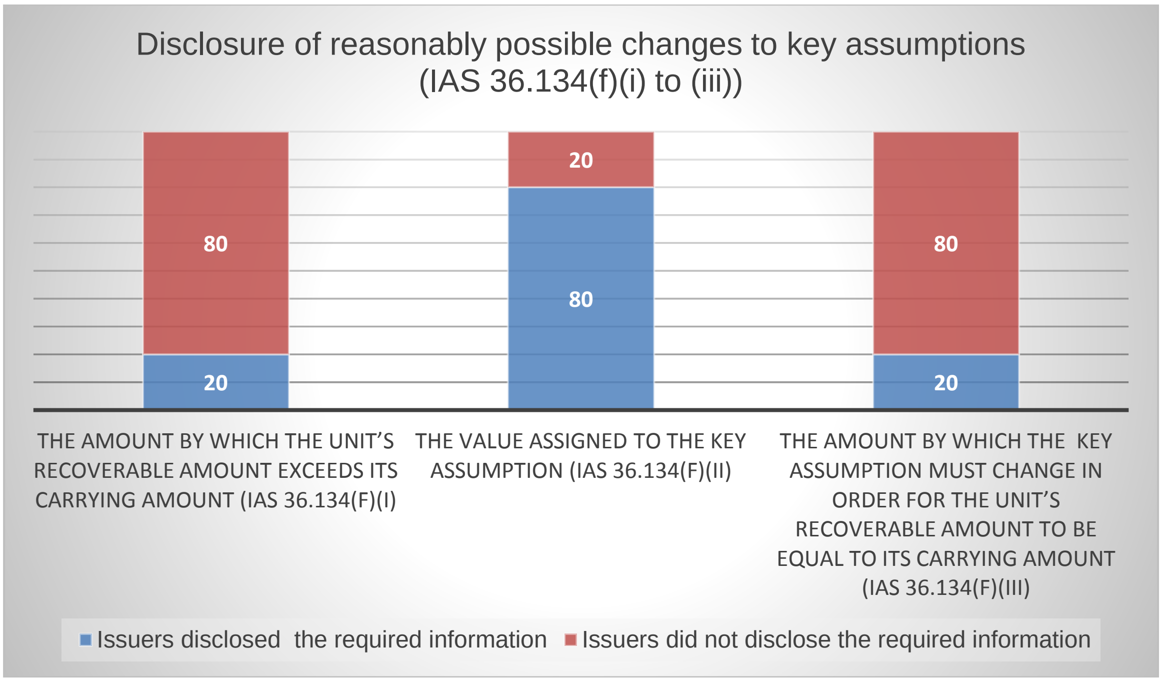
IAS 36 requires entities to use their judgement in determining what is a reasonably possible change in a key assumptions. Furthermore, the additional disclosures as set out in IAS 36.134(f) are required for each key assumption and are not confined to the discount rate and the long-term growth rate.

The disclosures of reasonably possible changes to key assumptions [IAS 36.134(f) refers] may not be required by all companies or by individual companies in a particular year, depending on the facts and circumstances. The additional disclosures about reasonably possible changes to key assumptions may become more relevant where CGUs currently have a low level of headroom (i.e. excess of recoverable amount over the carrying amount is small) or a recent impairment charge has reduced the carrying amount of CGU to its the recoverable amount. This additional information of key assumptions enables users to gain an understanding of the key judgements of management in determining the recoverable amount of substantial non-financial assets and sensitivities therein.

Finding – sensitivity of the recoverable amount to reasonably possible change in key assumptions
80% of the companies that quantified reasonably possible changes to key assumptions disclosed some, but not all, of the disclosures about changes to key assumptions that is required by IAS 36.134(f)(i) to (iii). Only 20% of the affected companies disclosed all the information required by IAS 36.134(f)(i) to (iii).

In 42% of relevant cases, the companies disclosed some quantitative information related to reasonably possible changes to key assumptions, 11% of relevant companies did not disclose quantitative information related to reasonably possible changes to key assumptions in CGUs notwithstanding that there was either a significant impairment recognised during the current year and/or other impairment indicators being present such as the equity to market capitalisation ratio being in excess of 100%. The remaining 47% of relevant companies stated that a reasonably possible movement in the underlying assumptions would not cause the carrying amount to exceed the recoverable amount.

However, in one instance a company was noted as having an equity to market capital ratio in excess of 100% and there were other indicators of impairment apparent from the Annual Report.



80% of companies that quantified reasonably possible changes to key assumptions did not disclose the excess headroom required by IAS 36.134(f)(i). 20% of the latter disclosed the value(s) assigned to the key assumptions required by IAS 36.134(f)(ii). 40% of companies did not disclose the amount by which the value assigned to the key assumptions must change in order for the unit's recoverable amount to be equal to its carrying amount.

In almost one third of cases where some quantitative data of possible changes to key assumptions was disclosed, it was found that a reasonably possible change in key assumptions would not cause the unit's carrying amount to exceed its recoverable amount. Where voluntarily disclosed by companies, this additional information was nonetheless useful information for users of the financial statements.

We also have noted instances where an impairment charge was recognised in the current or prior period; however, the disclosures [IAS 36.134(f) refers] in companies' preceding period did not anticipate any reasonably possible change in key assumptions that would lead to impairments. This fact pattern would lead us to question the robustness of some companies' assessment of what constitutes reasonably possible changes to key assumptions.

Finding – quantitative data of reasonably possible changes to key assumptions
Where quantitative information was disclosed by companies under IAS 36.134(f)(i) to (iii), we noted that all companies disclosed quantitative information of reasonably possible changes to the discount rate that varied from a decrease of 0.25% to an increase of over 2%. Many companies disclosed a reasonably possible change in terminal value growth ranging from a decrease of 1% to an increase of 0.25 %. Many companies disclosed a reasonably possible change in cash flows ranging from a decrease of over 7% to a decrease of 10%. A smaller number of companies disclosed quantitative information of reasonably possible changes in key assumptions related to operating profit, profit before tax, revenue and earnings before interest tax depreciation and amortisation margin (EBITDA margin).

Where a reasonably possible change in key assumptions would cause the CGU's carrying amount to exceed its recoverable amount, the observed level of compliance with the disclosure requirements of IAS 36.134(f) is set out in the Chart above which is based on the population of affected companies where the disclosure is relevant.

IAASA commentary – disclosure of reasonably possible changes in key assumptions
80% of affected companies disclosed some, but not all, of the disclosures about reasonably possible changes to key assumptions that is required by IAS 36.134(f)(i) to (iii). Only 20% of the affected companies disclosed all the information required by IAS 36.134(f)(i) to (iii).

All companies disclosed quantitative information of reasonably possible changes to the discount rate assumption. A significant minority of companies also disclosed quantitative information of reasonably possible changes in assumptions of: the terminal value growth and the cash flows in accordance with IAS 36.134(f)(i) to (iii).

It was not readily apparent as to why a significant minority of the companies had not presented all the information required by IAS 36.134(f)(i) to (iii) and, there appears scope for companies to improve their compliance with IAS 36.134(f)(i) to (iii) where relevant.

17 Multiple CGUs carrying goodwill or intangible assets that are individually insignificant but collectively significant

IAS 36.135 states that, in some instances, some or all of the carrying amount of goodwill or intangible assets with indefinite useful lives may be allocated across multiple CGUs. The amount so allocated to each unit may be 'not significant' in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives.

However, if the recoverable amounts of any of those CGUs (groups of units) are based on the same key assumptions and the 'aggregate' carrying amount of goodwill or intangible assets with indefinite useful lives allocated to them is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives, then an entity is required to disclose that fact together with information similar to IAS 36.134(f).

36% of relevant companies were identified as having CGUs where the aggregate carrying amount of goodwill or intangible assets with indefinite useful lives allocated to multiple CGUs is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives. However, few of these companies disclosed the information required by IAS 36.135 for multiple CGUs where the aggregate carrying amount of goodwill or intangible assets allocated to them is significant.

It was not possible to determine from this desktop examination as to whether or not the individual CGUs applied the same key assumptions [IAS 36.135 refers]. However, the proportion of goodwill and intangible assets held by individually insignificant and multiple CGUs as a proportion to total goodwill and intangibles, ranged from 20% to 67% of total goodwill and intangible assets. Most of the companies did not disclose how they determined 'significant' in the context of IAS 36.135; however, where this information was disclosed companies regarded levels greater than 10% as significant.

IAASA commentary – multiple CGUs carrying goodwill or intangible assets that are individually insignificant but collectively significant

A significant minority of companies (36% of relevant companies) did not appear to disclose the information required by IAS 36.135 for multiple CGUs where the aggregate carrying amount of goodwill or intangible assets allocated to them is, in aggregate, significant to total goodwill and intangibles. The proportion of goodwill and intangible assets held by individual CGUs that was regarded as not significant ranged from 20% to 67% of total goodwill and intangible assets.

It was not readily apparent from a desktop survey as to why there appears to be a low level of compliance with IAS 36.135. IAASA encourages companies to improve their compliance with IAS 36.135 where relevant to their fact pattern.

18IAASA's recommendations for companies

IAASA recommends that management, directors and Audit Committees re-evaluate their impairment test processes and significant judgements used to determine the recoverable amount of assets and to ensure that the key assumptions remain valid over the entire life of the asset. The impairment testing disclosures should be sufficiently disaggregated [IAS 36.134 refers] to enable users to place reliance on the results of the impairment tests of assets and CGUs. In seeking to improve the recognition, measurement and disclosure of the recoverable amount of assets, the following areas should be considered:

(a) whether or not CGUs have been tested for impairment at an appropriate level [IAS 36.134];

(b) the consistency or otherwise of the CGUs used for impairment testing with the operating segment before aggregation or information elsewhere in the financial statements;

(c) whether or not all key assumptions used in determining the recoverable amount of assets are realistic, reflect past experience and are consistent with external sources of information;

(d) whether or not the forecast period is based on key assumptions that result in 'sustainable' or 'normalised' cash flows and, therefore, are a suitable basis on which to extrapolate results over the term beyond the forecast period;

(e) whether or not greater weight has been given to external evidence in determining estimates for future cash flows;

(f) re-assessment of the recoverable amount of assets where there has been a 'near-miss' (i.e. where the recoverable amount is close to the carrying amount);

(g) disaggregated impairment disclosures for each CGU [as defined by IAS 36.134 refers];

(h) enhance the disclosures of key assumptions [IAS 36.134(d)] beyond simply long-term growth and discount rates;

(i) enhance the disclosure of the basis for attributing values to key assumptions that is consistent with IAS36.IE9;

(j) enhance the disclosures of reasonably possible changes to key assumptions that would cause the carrying amount to exceed the recoverable amount and reassess what are reasonably possible changes annually; and

(k) enhance the disclosures where the aggregate carrying amount of goodwill or intangible assets with indefinite useful lives is significant.

19IAASA and ESMA: impairment testing decisions and relevant publications

As referred to earlier, impairment testing of non-financial assets has been a recurring topic in our financial reporting examination activities for a number of years resulting in a number of financial reporting enforcement decisions. Our accumulated examination experience to-date, together with our participation at EECS suggests that the recognition, measurement and disclosures related to companies' impairment testing of non-financial assets merits on-going and close examination. For this reason, IAASA encourages companies to study our financial reporting enforcement decisions and relevant publications of both IAASA and ESMA, including, ESMA's period publication of extracts from the EECS database of enforcement decisions.

Appendix II to this document includes some useful links that may be of interest to preparers, management and directors of the periodic reports of companies applying IAS 36.
We also note that the International Accounting Standards Board (IASB) is exploring whether the existing impairment test for goodwill can be improved or simplified, whether goodwill should be amortised and which intangible assets should be separated from goodwill.

Appendix I – Classification of Irish companies, by sector

Sector	Company	Reporting date
Airline & Transportation	Irish Continental Group plc Ryanair Holdings plc	31 December 2016 31 March 2016
Beverages	C&C Group plc	28 February 2017
Biotech & Pharmaceutical	Mainstay Medical International plc UDG Healthcare plc	31 December 2016 30 September 2016
Building Material & Construction	CRH plc Grafton Group plc Kingspan Group plc	31 December 2016 31 December 2016 31 December 2016
Casino & Gaming	Paddy Power Betfair plc	31 December 2016
Containers, Paper & Packaging	Smurfit Kappa Group plc	31 December 2016
Financial Institution & Financial Services	Allied Irish Banks plc Bank of Ireland IFG Group plc Permanent TSB Group Holdings plc	31 December 2016 31 December 2016 31 December 2016 31 December 2016
Food, Convenience Foods, Nutrition & Ingredients	Aryzta plc Glanbia plc Greencore Group plc Kerry Group plc	31 July 2016 31 December 2016 30 September 2016 31 December 2016
Hospitality & Leisure	Dalata Hotel Group plc	31 December 2016
Homebuilding	Cairn Homes plc	31 December 2016
Insurance	FBD Holdings plc	31 December 2016
Oil, Gas & Mining	Aminex plc Kenmare Resources plc	31 December 2016 31 December 2016
Publishing & Broadcasting	Independent News and Media plc	31 December 2016
Real Estate Investment Trust	Green REIT plc Hibernia REIT plc Irish Residential Property REIT plc	30 June 2016 31 March 2017 31 December 2016
Sales, Marketing, Distribution & Business Support Services	DCC plc	31 March 2017
Technology: e-Business Infrastructure	Datalex plc	31 December 2016

Appendix II – Links to useful publications

The IAASA website:
https://www.iaasa.ie/

IAASA's Observations on selected Financial Reporting Issues (September 2017):
https://www.iaasa.ie/getmedia/3ffd61e0-b95f-4fb5-8840-23a79a7f0bba/Obs-doc-2017.pdf?ext=.pdf

IAASA's Publication of Financial Reporting Decisions:
https://www.iaasa.ie/Publications/Financial-Reporting-Supervision

21st Extract from the EECS's Database of Enforcement Decisions (October 2017):
https://www.esma.europa.eu/press-news/esma-news/esma-publishes-21st-extract-eecs%E2%80%99s-database-enforcement

20th Extract from the EECS's Database of Enforcement Decisions (January 2017):
https://www.esma.europa.eu/press-news/esma-news/esma-publishes-extract-enforcement-decisions-financial-statements-0

Report: Enforcement and Regulatory Activities of Accounting Enforcers in 2016:
https://www.esma.europa.eu/press-news/esma-news/esma-reports-eu-accounting-enforcement-in-2016