

Ace Allizon Solutions (AAS) is a finance and accounting professional services firm established by experienced finance, accounting, risk and technology professionals with the skills and passion for excellence to deliver innovative solutions to routine to complex and challenging scenarios facing UK businesses. With unrivalled Big 4 training, experiences and competitive skills we provide a range of services in finance and accounting services across sectors.

Why Us?

- + We have access to vast knowledge base and core skills
- + Use our significant experiences to deliver at reasonable cost
- + We have a team of diverse background and experiences
- + We are passionate to take on complex challenges
- + Our moto to deliver your Goals by professional relationship
- + We are group of dedicated ex-big 4 finance professionals
- + Use latest technologies to work remotely and deliver quality
- + Our wide network of team bring in vast market insight
- + We are solution focused and believe in Quality Outcome

Our expertise and service offerings

- ✓ Finance & Accountancy Consulting Services
- ✓ Management Accounting Services
- ✓ Financial Accounting Services
- ✓ Specialist Accounting Services
- ✓ Bookkeeping Services
- ✓ External Audit Services
- ✓ Tax Accounting Services
- ✓ Contracting and Outsourcing support

Our goal is to provide Strategic and Operational support in decision making processes by leveraging valuable financial insight. We have a team of well-balanced expertise to support managerial and financial accounting which has two extreme ends of intended stakeholders of the accounting information. Managerial accounting information is aimed at helping managers within the organization make well-informed decision.

Let's discuss how we can support you on

IFRS 9 and covid-19

Accounting for expected credit losses applying IFRS 9 Financial Instruments in the light of current uncertainty resulting from the covid-19 pandemic.

IFRS 9 sets out a framework for determining the amount of expected credit losses (ECL) that should be recognized. It requires that lifetime ECLs be recognized when there is a significant increase in credit risk (SICR) on a financial instrument.

However, it does not set bright lines or a mechanistic approach to determining when lifetime losses are required to be recognized. Nor does it dictate the exact basis on which entities should determine forward looking scenarios to consider when estimating ECLs.

IFRS 9 requires the application of judgement and both requires and allows entities to adjust their approach to determining ECLs in different circumstances.

A number of assumptions and linkages underlying the way ECLs have been implemented to date may no longer hold in the current environment.

Entities should not continue to apply their existing ECL methodology mechanically.

Entities are required to develop estimates based on the best available information about past events, current conditions and forecasts of economic conditions.

It is likely to be difficult at this time to incorporate the specific effects of covid-19 and government support measures on a reasonable and supportable basis.

Although current circumstances are difficult and create high levels of uncertainty, if ECL estimates are based on reasonable and supportable information and IFRS 9 is not applied mechanistically, useful information can be provided about ECLs.

Indeed, in the current stressed environment, IFRS 9 and the associated disclosures can provide much needed transparency to users of financial statements.

Refer source: <https://cdn.ifrs.org/-/media/feature/supporting-implementation/ifrs-9/ifrs-9-ecl-and-coronavirus.pdf?la=en>

Contact us:
[E] Ifowowe@aceallizon.com
[W] www.aceallizon.com

Our service offerings - Let's work out how our knowledge and experiences can be leveraged to help you with this scenario

- ✓ We can support you with defining the data requirements for ECL calculation
- ✓ Define the calculation methodology to ensure compliance with the IFRS 9 requirements
- ✓ Define control framework to ensure ECL values are accurate and complete
- ✓ Additionally, can help with the review of disclosures and supporting evidential documentation

What's other professional bodies saying.....

PRA guidance on applying IFRS 9, Financial Instruments, during the COVID-19 outbreak

Key considerations

1. Calculation of ECL during COVID-19
2. Payment holidays
3. Covenant breaches

Source: <https://www.icas.com/professional-resources/coronavirus/latest-updates/pr-guidance-on-applying-ifrs-9-financial-instruments-during-the-covid-19-outbreak>

ICAEW published COVID-19 and IFRS 9 expected credit losses for banks

Key considerations

1. ICAEW's Financial Services Faculty outlines the following considerations should be borne in mind for Q1 2020 reporting and beyond.
2. Significant increase in credit risk
3. Reporting and disclosure

Source: <https://www.icaew.com/technical/financial-services/banking-sector/covid-19-and-ifrs-9-expected-credit-losses-for-banks>