

PoA**Project: Published Financial Statements****50 marks**

In groups, with the assistance of your teacher, choose a public company that is listed on the JSE. Obtain the most recent published Financial Statements of the company, which can be found in newspapers, on the Internet or from the company itself. The Financial Statements must be researched, analysed and a report must be drawn up on the essential points as indicated below. The feedback of the group can be done using charts, graphs, PowerPoint presentations, etc. You will be given 5 minutes for feedback.

General information

- What is the name of the company?
- When does the financial year end?
- What is the duration of the financial period?
- Why is this a public company? Give evidence.
- In what product or service does the company trade?
- Is this a SA Company? If not, where is the head office of the company? Explain.
- How does this company benefit the ordinary South African citizen?

Auditing of Financial Statements

- Have the Financial Statements been audited? Give a reason for your answer.
- Who audited the Financial Statements?
- Discuss the role of the independent auditor.
- Discuss the differences between internal and external auditors.
- Is it a qualified or unqualified report? Give reasons for your answer.
- Why is the audit report addressed to the shareholders?
- Why do the auditors stipulate page numbers ... to ...
- Why do the auditors include the sentence 'the preparation of the Financial Statements is the responsibility of the director's'?
- Discuss 'fair presentation' in the auditor's report.
- Explain some of the disciplinary and punitive measures for non-compliance to the code of ethics and the role of Professional Bodies (e.g. SAICA).
- Why is it important to audit the Financial Statements of the company?

Ratios, interpretation and analysis

- Calculate the profitability, solvency, gearing, return and liquidity ratios.
- Comment on your findings.
- Identify the positive and negative trends. Explain.
- Make comments on the cash effects of the Cash Flow Statement. How can the company improve its cash flow and how can the company use the cash flow to expand its operations?

Directors' report

Study the Directors' report and summarise the essential points.

Rubric

Criteria	8 marks	6 marks	4 marks	2 marks
General information	Excellent presentation of the general information of the company.	Good presentation of the general information of the company.	Satisfactory presentation of the general information of the company.	Fair presentation of the general information of the company.
Auditor's report	16 marks Excellent explanation of the salient points found in an auditors' report, role of the auditor and reasons for auditing the Financial Statements.	12 marks Provides a good explanation of the salient points found in an auditors' report, role of the auditor and reasons for auditing the Financial Statements.	8 marks Satisfactorily explains the salient points found in an auditors' report, role of the auditor and reasons for auditing the Financial Statements.	4 marks Fairly explains the salient points found in an auditors' report, role of the auditor and reasons for auditing the Financial Statements.
Ratios, analysis and interpretation	16 marks Calculates all the ratios, analyses them and provides comments on positive and negative trends.	12 marks Calculates at least 75% of the ratios, analyses them and provides comments on positive and negative trends.	8 marks Calculates at least 50% of the ratios, analyses them and provides comments on positive and negative trends.	4 marks Calculates at least 25% of the ratios, analyses them and provides comments on positive and negative trends.
Directors' report	10 marks Mentions more than 3 points discussed in the director's report.	6 marks Mentions at least 3 points discussed in the director's report.	4 marks Mentions at least 2 points discussed in the director's report.	2 marks Mentions at least one point discussed in the director's report.
Maximum marks 50				