

Provision for Proposed Dividend

This Guidance Note deals with the issue of responsibility of the auditors in respect of the provision for and disclosure of proposed dividends in the financial statements of companies. The Guidance Note also outlines the views of the Council of the Institute, inter alia, on the following matters:

- whether the “proposed dividend” is a liability before the general meeting to approve the financial statements;
- non provision of “proposed dividend” in the financial statements *vis-a-vis* true and fair view and the necessary disclosure in that case;
- auditor’s duties in respect of above non provision.

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