

## **SSAP 35: Accounting for Government Grants and Disclosure of Government Assistance**

*(click above for the full text of the Statement)*

SSAP 35, Accounting for Government Grants and Disclosure of Government Assistance became effective for annual financial statements covering periods beginning on or after 1 July 2002.

### ***Summary of SSAP 35***

- Grants should not be credited directly to equity. They should be recognised as income in a way matched with the related costs.
- Grants related to assets should be deducted from the cost or treated as deferred income.
- Government assistance to enterprises that is aimed at encouragement or long-term support of business activities either in certain regions or industry sectors meets the definition of government grants in SSAP 35. Such grants should therefore not be credited directly to shareholders' interests.

### ***Comparison with International Accounting Standards***

The International Accounting Standard and the SIC Interpretation comparable with SSAP 35 are:

- IAS 20, Accounting for Government Grants and Disclosure of Government Assistance
- SIC 10: Government Assistance - No Specific Relation to Operating Activities.

There are no significant differences between SSAP 35 and IAS 20 and its related Interpretation.