

IFRS and Digitalization

Case Study - Delta Ltd.

Delta Ltd. is a promptly established company by the only owner Mr. Delta with the aim of operating a webshop. The company started operation on 1st March 2021. The business documents for the first month are attached; here you can find some hints and tips on what happened.

	Date	Transaction	Document 1	Document 2
1	01.03.2021	Mr. Delta established Delta Ltd. by investing capital in it	Bank statement #1	
2	02.03.2021	Purchased a computer and cash register (paid by immediate bank transfer)	Bank statement #1	Invoice #1 from Electronic devices
3	02.03.2021	DeltaLtd. entered into a rent agreement for a webshop software that is operated in the cloud. The first monthly rental fee is paid immediately by bank transfer.	Bank statement #1	Invoice #2 from Perfect Webshops Ltd.
4	03.03.2021	Delta Ltd. hired a part-time employee (Ms.Beta) as a sales agent. The agreed gross salary is EUR 600/month.	Employment Contract	
5	03.03.2021	Delta Ltd. ordered some Touch&Clean anti-virus stickers, which kill bacteria and viruses by touching the stickers/pad.	E-mail #1 order to touchandclean.hu Ltd.	PO#1
6	04.03.2021	Delta asked a graphic designer to design a new logo for the webshop. The designer accepted the mandate.	E-mail #2 from Mr. Delta to graphicdesigner.eu	
7	06.03.2021	The Touch&Clean package was delivered to Delta Ltd. with the invoice enclosed.	Invoice #3	Delivery Note #3
8	07.03.2021	Delta Ltd. returned some stickers to the seller as they were not in the right colour. The seller accepted the complaint and sent the credit note for the return.	CN #1	E-mail #3 to the seller
9	08.03.2021	The graphic designer proposed five options for the new logo. Delta Ltd. accepted one and paid the agreed price.	Bank statement #1	Invoice #4
10	09.03.2021	Vodacom sent a purchase order for anti-virus stickers that will be given to VIP customers for every new mobile phone that they purchase.	PO #2	
11	10.03.2021	Delta Ltd. delivered the products to Vodacom as per their purchase order.	Invoice #5	Delivery Note #5

12	11.03.2021	Delta Ltd. registered for a free trial of BEESmart CRM software	Confirmation e-mail #4	
13	12.03.2021	Delta Ltd. purchased a customer list	Invoice #7	Bank statement
14	13.13.2021	Ms. Beta uploaded the customer list to the BEESmart software and started preparing e-mail newsletters for them. She also started to add new customers to the list	project_timesheet of Ms. Beta	
15	14.03.2021	BTC Enterprises sent a purchase order about buying a bulk of anti-virus stickers	PO#100	BlockFi Wallet Bitcoin – USD Cross Prices
16	16.03.2021	DeltaLtd. delivered the products to BTC Enterprises based on their order.	Invoice #6	Delivery Note #7 Bitcoin – USD Cross Prices
17	25.03.2021	After the free demo period, Delta Ltd. decided to order the BEESmart CRM software	Invoice #8	Bank statement
18	31.03.2021	Electricity bill received (for admin purposes)	Electricity invoice	
19	31.03.2021	Payroll was calculated for Ms. Beta. The social security contribution is 25% based on the gross salary (employer contribution), and 30% deductible taxes and other contributions are applied from the gross salary.	Payroll slip #1	
20	31.03.2021	Vodacom paid half of the invoice	Bank statement #1	
21	31.03.2021	A physical count of the inventory was done by Delta Ltd.	Inventory taking	
22	31.03.2021	Adjustments (before end of the period) if needed	Bank statement #1	Invoice 8 Extract of the Accounting Policy

Task #1:

Please record the above entries in the books and prepare both the Income Statement and the Statement of Changes in Equity for the period ending March 31 and Statement of Financial Position as of March 31.

Prepare a single slide (!) for the key-management briefing that includes the highlights of the financial statements and any critical explanations you find necessary

In your room: summarize the single-slides and come up with maximum two slides that you wish to present in the plenary session.

Task #2:

Delta Ltd. is considering outsourcing of book-keeping activities to a third party supplier or keeping this function within the company.

Please design a digital document flow process for both cases and pay attention to creating the necessary control points to minimize the risk of losing information. Indicate critical control points!

Each room should come up at the end of the day with a single flowchart that will be presented at the plenary session!