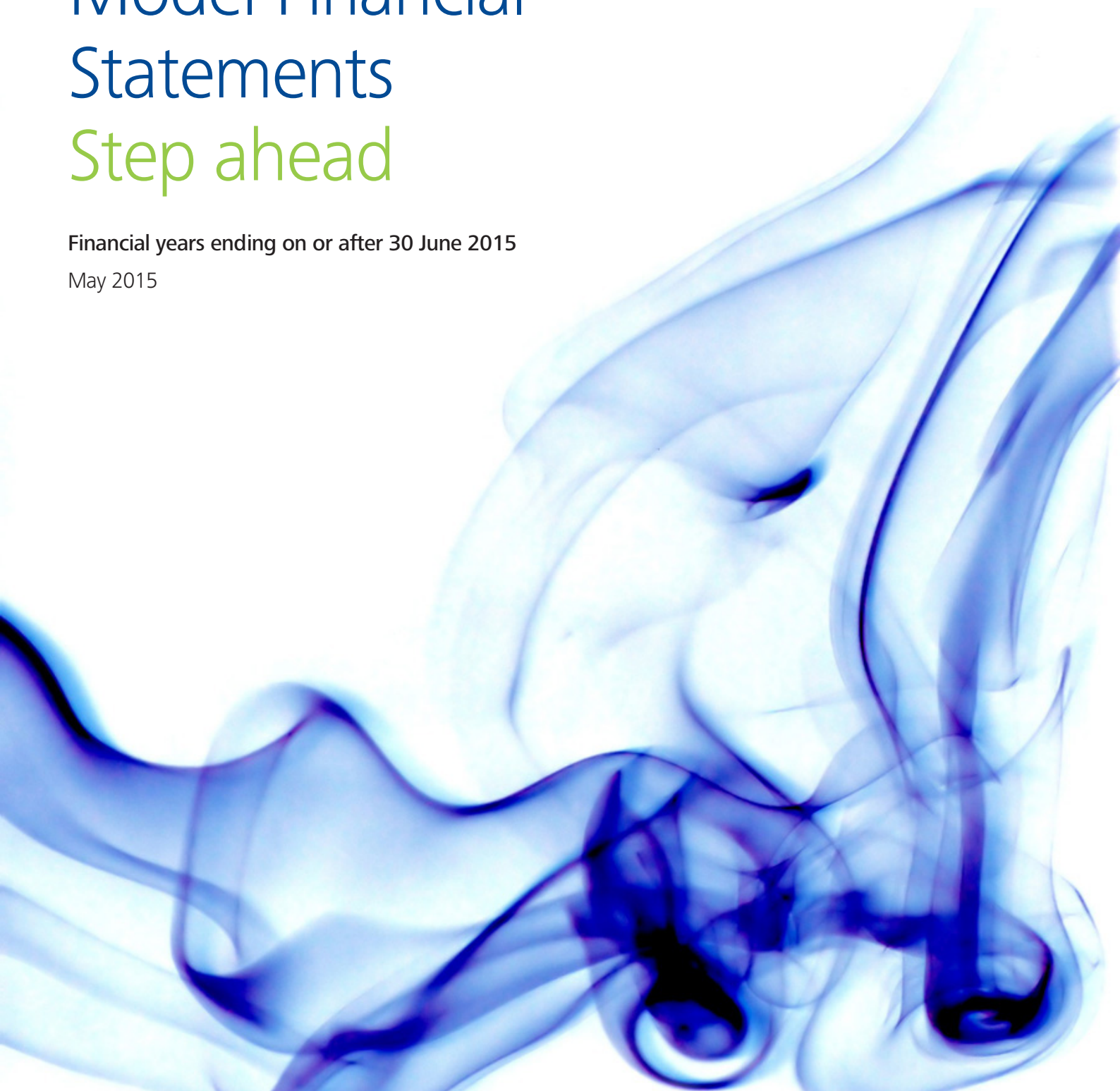




Model Financial Statements Step ahead

Financial years ending on or after 30 June 2015

May 2015



Model annual reports

Contents

Section

What's new in financial reporting?

A

Model annual report

B

Model concise report

C

Reporting obligations

D

Section A:
What's new in
financial reporting?

Section A

What's new in financial reporting?

Contents

Page

What are the big picture issues for June 2015?	A 1
Detailed summary of new and revised financial reporting pronouncements	A 3
Online resources	A 15

What are the big picture issues for June 2015?

Key considerations

The June 2014 financial year was a busy year, with adoption of various complex standards. In contrast, 2015 will be a relatively quieter year in which only a small number of amending Standards and new Interpretations have become mandatorily effective for the first time. All of these amending Standards and the new Interpretations generally require full retrospective application (i.e. comparative amounts have to be restated), with some amendments providing specific transitional provisions.

The key new and amended reporting requirements that must be applied for the first time this year include:

- Offsetting criteria for financial assets and financial liabilities:
 - Amendments to AASB 132 *Financial Instruments: Presentation* clarifies the requirements relating to the offset of financial assets and financial liabilities.
- Additional disclosures on recoverable amounts for non-financial assets:
 - Amendments to AASB 136 *Impairment of Assets* remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) under certain circumstances. Further, there are some additional disclosure requirements applicable in instances where the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal.
- Clarification on the continuation of hedge accounting for novation of derivatives:
 - Amendments to AASB 139 *Financial Instruments: Recognition and Measurement* provide relief for discontinuation of hedge accounting when a derivative is novated in certain circumstances, in addition to clarification on the treatment of changes in fair value for such instruments.
- Consolidation exemption for investment entities:
 - Amendments to AASB 10 *Consolidated Financial Statements* introduce an exemption from consolidation of subsidiaries for entities which meet the definition of an investment entity.
- Annual Improvements 2010-2012 and 2011-2013 Cycles:
 - AASB 2014-1 *Amendments to Australian Accounting Standards Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles* makes various amendments to Australian Accounting Standards. Most notably, items that will impact disclosure requirements under AASB 8 *Operating Segments*, AASB 119 *Employee Benefits*, and AASB 124 *Related Party Disclosure*.
- Defined Benefit Plans: Employee Contributions (Amendment to AASB 119):
 - AASB 2014-1 *Amendments to Australian Accounting Standards Part B* clarifies accounting treatment in relation to contributions which are independent to years of service.
- Clarification of the recognition of a liability to pay a levy imposed by a government:
 - Interpretation 21 *Levies* discusses the definition of a levy and the recognition of a liability to pay a levy in reference to triggering events and circumstances.

Some of the Australian-specific and other related factors that need to be considered in the current reporting season:

- **New IASB pronouncements** – the IASB has issued a number of standards that form the basis of the 'next big wave' of pronouncements, which will mandatorily apply from 1 January 2017 or 2018 (depending upon the dates finally determined). New Standards have been issued on revenue and financial instruments. Further pronouncements are expected on lease accounting and insurance contracts. There may be some changes for which early adoption would be attractive. In addition, to the extent pronouncements have been issued prior to finalising the financial report, entities claiming full compliance with IFRSs in their financial statements will need to include the relevant AASB 101 disclosures about accounting standards on issue but not applied in their financial reports. Analysts and other stakeholders may also request more in-depth information about the impacts of the changes.
- **Corporate Governance Principles and Recommendations** – In March 2014, The ASX Corporate Governance Council released the [Third edition of its Corporate Governance Principles and Recommendations](#), effective for financial years commencing on or after 1 July 2014. The new edition reflects developments in corporate governance which aim to elevate sustainability risks and disclosures, which is consistent with an increasing global focus on sustainability reporting and disclosures. The new edition includes a new recommendation 7.4 that deals with sustainability risks as follows: "A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages those risks or intends to manage those risks." The ASX governance-related listing rules have also been updated for the same period.

Of course, the devil is often in the detail and there are numerous other financial reporting changes that need to be considered, with more changes likely to arise between the date of this publication and the end of the reporting period.

Important note

At the date of this publication, a number of key proposals of both the International Accounting Standards Board (IASB) and Australian Accounting Standards Board (AASB) are subject to finalisation and approval. As these proposals are finalised, early adoption may be attractive to some entities. Stay up-to-date with developments in this important area at <http://www2.deloitte.com/au/en/pages/audit/solutions/accounting-technical.html>.

We also maintain an up-to-date summary of all new financial reporting requirements in our 'What's new' summary, available at <http://www2.deloitte.com/au/en/pages/audit/articles/whats-new-guides.html>.

Detailed summary of new and revised financial reporting pronouncements

The information in this section was prepared as of 31 March 2015. This information is updated throughout the reporting season in our 'What's new in financial reporting' summary, available at <http://www2.deloitte.com/au/en/pages/audit/articles/whats-new-guides.html>.

The tables below outline the new and revised pronouncements that are to be applied for the first time at 30 June 2015, or which may be early adopted at that date.

As occurs so often with changes to accounting standards and financial reporting requirements, some of the new or revised pronouncements listed in the tables below may have a substantial impact on particular entities. Therefore, it is important that the pronouncements listed are carefully reviewed for any potential impacts or opportunities.

Where early adoption is being contemplated, it is important to address any necessary procedural requirements, e.g. for entities reporting under the *Corporations Act 2001*, appropriate director's resolutions for early adoption must be made under s.334 (5). Disclosure in the financial statements must also be addressed.

In addition, the disclosure requirements required in relation to new and revised accounting pronouncements need to be carefully considered even where they have not yet been adopted.

New and revised Standards

New or revised requirement	When effective	Applicability to 30 June 2015 full years
<p>AASB 9 <i>Financial Instruments</i> (December 2009), AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9, AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i>, AASB 2013-9 <i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i>, AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>, AASB 2014-8 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010)</i></i></p> <p>AASB 9 introduces new requirements for classifying and measuring financial assets, as follows:</p> <ul style="list-style-type: none"> • Debt instruments meeting both a 'business model' test and a 'cash flow characteristics' test are measured at amortised cost (the use of fair value is optional in some limited circumstances) • Investments in equity instruments can be designated as 'fair value through other comprehensive income' with only dividends being recognised in profit or loss • All other instruments (including all derivatives) are measured at fair value with changes recognised in the profit or loss • The concept of 'embedded derivatives' does not apply to financial assets within the scope of the Standard and the entire instrument must be classified and measured in accordance with the above guidelines. <p>Through AASB 2013-9, a new hedge accounting model has been put in place that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.</p> <p>[^] Note: Since the issue of AASB 9 (December 2009) the IASB has reissued IFRS 9 <i>Financial Instruments</i> several times. These amendments:</p>	<p>Applies on a modified retrospective basis to annual periods beginning on or after 1 January 2018[^]</p>	<p>Optional[^] (see note regarding early adoption)</p>

New or revised requirement	When effective	Applicability to 30 June 2015 full years
<ul style="list-style-type: none"> • have deferred the mandatory effective date of AASB 9 (December 2009) and the related consequential amendments to annual periods beginning on or after 1 January 2018; • allow either AASB 9 (December 2009) or AASB 9 (December 2010) to be early adopted if adopted with an initial application date before 1 February 2015, however after this period only AASB 9 (December 2014) can be early adopted. 		
<p>AASB 9 Financial Instruments (December 2010), AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures, AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments, AASB 2014-1 Amendments to Australian Accounting Standards, AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010)</p>	<p>Applies on a modified retrospective basis to annual periods beginning on or after 1 January 2018[^]</p>	<p>Optional[^] (see note regarding early adoption)</p>
<p>A revised version of AASB 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over of the existing derecognition requirements from AASB 139 <i>Financial Instruments: Recognition and Measurement</i>.</p>		
<p>The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.</p>		
<p>Through AASB 2013-9, a new hedge accounting model has been put in place that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.</p>		
<p>[^] Note: Since the issue of AASB 9 (December 2010) the IASB has reissued IFRS 9 <i>Financial Instruments</i> several times. These amendments:</p>		
<ul style="list-style-type: none"> • have deferred the mandatory effective date of AASB 9 (December 2010) and the related consequential amendments to annual periods beginning on or after 1 January 2018; • allow either AASB 9 (December 2009) or AASB 9 (December 2010) to be early adopted if adopted with an initial application date before 1 February 2015, however after this period only AASB 9 (December 2014) can be early adopted. 		

New or revised requirement	When effective	Applicability to 30 June 2015 full years
<p>AASB 9 Financial Instruments (December 2014), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</p> <p>The final version of AASB 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace AASB 139 <i>Financial Instruments: Recognition and Measurement</i>. This version adds a new expected loss impairment model and limited amendments to classification and measurement for financial assets.</p> <p>This new version supersedes AASB 9 (December 2009) and AASB 9 (December 2010). The new version of AASB 9 includes:</p> <ul style="list-style-type: none"> • requirements for impairment of financial assets; and • limited amendments to classification and measurement of financial assets, including introduction of a measurement category of 'fair value through other comprehensive income' for debt instruments. <p>[^] Note: Several versions of AASB 9 currently exist due to the issuance of the Standard over several years. In summary:</p> <ul style="list-style-type: none"> • the mandatory effective date of AASB 9 (all versions) and the related consequential amendments is annual periods beginning on or after 1 January 2018; • either AASB 9 (December 2009) or AASB 9 (December 2010) can be early adopted if adopted with an initial application date before 1 February 2015, however after this period only AASB 9 (December 2014) can be early adopted. 	<p>Applicable to annual reporting periods beginning on or after 1 January 2018</p>	<p>Optional[^]</p>
<p>AASB 14 Regulatory Deferral Accounts, AASB 2014-1 Amendments to Australian Accounting Standards (Part D – Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts)</p> <p>Permits an entity to continue to account for regulatory deferral account balances in its financial statements in accordance with its previous GAAP when it adopts Australian Accounting Standards.</p> <p>AASB 2014-1 Part D makes consequential amendments arising from issuance of AASB 14.</p> <p><i>Note: An entity that is not a first-time adopter of Australian Accounting Standards will not apply AASB 14.</i></p>	<p>Applicable to annual reporting periods beginning on or after 1 January 2016</p>	<p>Optional (for first-time adopters)</p>

New or revised requirement	When effective	Applicability to 30 June 2015 full years
<p>AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</p> <p>AASB 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers; and replaces AASB 111 <i>Construction Contracts</i>, AASB 118 <i>Revenue</i>, Interpretation 13 <i>Customer Loyalty Programmes</i>, Interpretation 15 <i>Agreements for the Construction of Real Estate</i>, Interpretation 18 <i>Transfers of Assets from Customers</i>, and Interpretation 131 <i>Revenue-Barter Transactions Involving Advertising Services</i>.</p> <p>The core principle is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.</p>	Applicable to annual reporting periods beginning on or after 1 January 2017	Optional

New or revised domestic Standards

New or revised requirement	When effective	Applicability to 30 June 2015 full years
<p>AASB 1031 Materiality (December 2013)</p> <p>Revised AASB 1031 is an interim standard that cross-references to other Standards and the <i>Framework for the Preparation and Presentation of Financial Statements</i> (issued December 2013) that contain guidance on materiality.</p> <p><i>Note: The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn.</i></p>	Applicable to annual reporting periods beginning on or after 1 January 2014 (early adoption not permitted)	Mandatory
<p>AASB 1055 Budgetary Reporting, AASB 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements</p> <p>AASB 1055 sets out budgetary reporting requirements for not-for-profit entities within the General Government Sector (GGS) of the Australian Government and State and Territory Governments, and, together with AASB 2013-1, relocates the corresponding budgetary reporting requirements for the whole of government and GGS of the Australian Government and State and Territory Governments from AASB 1049.</p> <p><i>Note: All budgetary reporting requirements applicable to public sector entities are now located in a single, topic-based Standard, AASB 1055 Budgetary Reporting.</i></p>	Applies to annual reporting periods beginning on or after 1 July 2014	Mandatory

New or revised requirement	When effective	Applicability to 30 June 2015 full years
<p>AASB 1056 Superannuation Entities</p> <p>Replaces AAS 25 <i>Financial Reporting by Superannuation Plans</i> and updates the requirements applying to superannuation entities in light of recent significant developments in the industry and the adoption of IFRS in Australia.</p> <p>Applies to large superannuation entities regulated by the APRA and to public sector superannuation entities. (Note: AASB 1056 does not apply to SMSFs or small APRA funds.)</p>	Applies to annual reporting periods beginning on or after 1 July 2016	Optional

New Amending Standards

The table below lists the Amending Standards that do not relate to the pronouncements listed in other tables.

New or revised requirement	When effective	Applicability to 30 June 2015 full years
<p>AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132)</p> <p>Addresses inconsistencies in current practice when applying the offsetting criteria in AASB 132 <i>Financial Instruments: Presentation</i>.</p> <p>Clarifies the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.</p>	Applicable to annual periods beginning on or after 1 January 2014	Mandatory
<p>AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</p> <p>Narrow-scope amendments to AASB 136 <i>Impairment of Assets</i> addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.</p>	Applicable to annual reporting periods ending on or after 1 January 2014	Mandatory
<p>AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting</p> <p>Amends AASB 139 <i>Financial Instruments: Recognition and Measurement</i> to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.</p>	Applicable to annual reporting periods ending on or after 1 January 2014	Mandatory
<p>AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities</p> <p>Provides an exemption from consolidation of subsidiaries under AASB 10 <i>Consolidated Financial Statements</i> for entities which meet the definition of an 'investment entity', such as certain investment funds. Instead, such entities would measure their investment in particular subsidiaries at fair value through profit or loss in accordance with AASB 9 <i>Financial Instruments</i> or AASB 139 <i>Financial Instruments: Recognition and Measurement</i>.</p>	Applicable to annual periods beginning on or after 1 January 2014	Mandatory

New or revised requirement	When effective	Applicability to 30 June 2015 full years
<p><i>Note: Applicable, on a modified retrospective basis, to annual periods beginning on or after 1 January 2014, a year later than AASB 10 which is applicable to annual periods beginning on or after 1 January 2013. The amendments can be applied early, and accordingly entities can elect to apply them from when they first apply AASB 10, avoiding the need for investment entities to consolidate subsidiaries only in the first year of applying AASB 10.</i></p>		
<p>AASB 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements</p> <p>Amends AASB 136 <i>Impairment of Assets</i> to establish reduced disclosure requirements for Tier 2 entities arising from AASB 2013-3 <i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i>.</p>	<p>Applicable to annual periods beginning on or after 1 January 2014</p>	<p>Mandatory (for eligible entities, that elect Tier 2 (RDR) reporting)</p>
<p>AASB 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policyholders</p> <p>Makes amendments to AASB 1038 <i>Life Insurance Contracts</i> that arise from AASB 10 <i>Consolidated Financial Statements</i> in relation to consolidation and interests of policyholders.</p> <p>Removes the specific requirements in relation to consolidation from AASB 1038, which leaves AASB 10 as the sole source for consolidation requirements applicable to life insurer entities.</p>	<p>Applicable to annual reporting periods beginning on or after 1 January 2014</p>	<p>Mandatory</p>
<p>AASB 2013-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities</p> <p>Provides significant guidance to assist not-for-profit entities in the private and public sector to apply AASB 10 <i>Consolidated Financial Statements</i> and AASB 12 <i>Disclosure of Interests in Other Entities</i>.</p> <p>The guidance confirms to the principles underlying the Standards and illustrates the principles with a range of comprehensive examples.</p>	<p>Applicable to annual reporting periods beginning on or after 1 January 2014</p>	<p>Mandatory</p>
<p>AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</p> <p>Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and minor editorial amendments to various standards</p>	<p>Part B – Materiality Applicable to annual reporting periods beginning on or after 1 January 2014 (early adoption not permitted)</p>	<p>Part B – Mandatory</p>

New or revised requirement	When effective	Applicability to 30 June 2015 full years
<p>Part C incorporates the IASB's Standard IFRS 9 <i>Financial Instruments</i> (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39) released in November 2013.</p> <ul style="list-style-type: none"> Introduces a new chapter to AASB 9 (2009 & 2010) on hedge accounting (refer above); Permits an entity to apply only the requirements introduced in AASB 9 (2010) for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements of AASB 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in other comprehensive income rather than within profit or loss. <p>[^] Note: AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E – Financial Instruments]</i> issued in June 2014 defers the application date of AASB 9 to 1 January 2018.</p> <p>Refer AASB 9 (2014) above which supersedes this Standard for adoption of AASB 9 with an initial application date after 1 February 2015.</p>	<p>Part C – Financial Instruments</p> <p>Applicable to annual reporting periods beginning on or after 1 January 2018[^]</p>	<p>Part C – Optional</p>
<p>AASB 2014-1 Amendments to Australian Accounting Standards [Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles]</p> <p>Part A makes various amendments to Australian Accounting Standards arising from the issuance by IASB of <i>IFRSs Annual Improvements to IFRS 2010- 2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle</i>.</p> <p>Key amendments include:</p> <ul style="list-style-type: none"> AASB 2 – definition of vesting condition; AASB 3 – accounting for contingent consideration in a business combination; AASB 8 – aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets; AASB 13 – short-term receivables and payables; AASB 116 – revaluation method: proportionate restatement of accumulated depreciation; AASB 124 – key management personnel; AASB 138 – revaluation method: proportionate restatement of accumulated amortisation; AASB 1 – meaning of 'effective IFRSs'; AASB 3 – scope exceptions for joint ventures; AASB 13 – scope of paragraph 52 (portfolio exception); AASB 140 – clarifying the interrelationship between AASB 3 and AASB 140 when classifying property as investment property or owner occupied property. 	<p>Part A</p> <p>Applicable to annual reporting periods beginning on or after 1 July 2014</p>	<p>Mandatory</p>

New or revised requirement	When effective	Applicability to 30 June 2015 full years
<p>AASB 2014-1 Amendments to Australian Accounting Standards [Part B – Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)]</p> <p>Narrow scope amendments to AASB 119 <i>Employee Benefits</i> that apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.</p>	<p>Part B Applicable to annual reporting periods beginning on or after 1 July 2014</p>	<p>Mandatory</p>
<p>AASB 2014-1 Amendments to Australian Accounting Standards (Part C – Materiality)</p> <p>AASB 2014-1 Part C makes amendments to particular Australian Accounting Standards to delete references to AASB 1031.</p>	<p>Part C Applicable to annual reporting periods beginning on or after 1 July 2014</p>	<p>Mandatory</p>
<p>AASB 2014-1 Amendments to Australian Accounting Standards [Part E – Financial Instruments]</p> <p>Makes amendments to Australian Accounting Standards to reflect the AASB's decision to defer the mandatory application date of AASB 9 <i>Financial Instruments</i> to annual reporting periods beginning on or after 1 January 2018. For further details on these amendments to AASB 9, refer to sections noted above.</p> <p>Further, Part E makes amendments to reduced disclosure requirements for AASB 7 <i>Financial Instruments: Disclosures</i> and AASB 101 <i>Presentation of Financial Statements</i>.</p>	<p>Part E Applicable to annual reporting periods beginning on or after 1 January 2015. Early application permitted, subject to certain conditions</p>	<p>Optional</p>
<p>AASB 2014-2 Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements</p> <p>Amends AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i> to clarify that AASB 1053 relates only to general purpose financial statements.</p> <p>Aims to make AASB 1053 consistent with AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> option in AASB 1 <i>First-time Adoption of Australian Accounting Standards</i>; and clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 108 option in AASB 1.</p> <p>Specifies certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.</p>	<p>Applicable to annual reporting periods beginning on or after 1 July 2014</p>	<p>Mandatory</p>
<p>AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions if Interests in Joint Operations</p> <p>Amends AASB 11 <i>Joint Arrangements</i> to provide guidance on the accounting for acquisitions of interests in a joint operation where the operation constitutes a business.</p>	<p>Applicable to annual reporting periods beginning on or after 1 January 2016</p>	<p>Optional</p>

New or revised requirement	When effective	Applicability to 30 June 2015 full years
<p>AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</p> <p>Amends AASB 116 <i>Property, Plant and Equipment</i> and AASB 138 <i>Intangible Assets</i> to provide additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated.</p>	<p>Applicable to annual reporting periods beginning on or after 1 January 2016</p>	<p>Optional</p>
<p>AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants</p> <p>Specify biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with AASB 116 <i>Property, Plant, and Equipment</i>, instead of AASB 141 <i>Agriculture</i>.</p>	<p>Applicable to annual reporting periods beginning on or after 1 January 2016</p>	<p>Optional</p>
<p>AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements</p> <p>Amends AASB 127 <i>Separate Financial Statements</i>, to allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:</p> <ul style="list-style-type: none"> • at cost, • in accordance with AASB 9 <i>Financial Instruments</i>, or • using the equity method as described in AASB 128 <i>Investments in Associates and Joint Ventures</i>. <p>The accounting policy option must be applied for each category of investment.</p>	<p>Applicable to annual reporting periods beginning on or after 1 January 2016</p>	<p>Optional</p>
<p>AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</p> <p>Addresses a conflict between the requirements of AASB 128 <i>Investments in Associates and Joint Ventures</i> and AASB 10 <i>Consolidated Financial Statements</i> and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.</p>	<p>Applicable to annual reporting periods beginning on or after 1 January 2016</p>	<p>Optional</p>
<p>AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle</p> <p>Amends a number of pronouncements as a result of the IASB's 2012-2014 annual improvements cycle. Key amendments include:</p> <ul style="list-style-type: none"> • AASB 5 – Change in methods of disposal; • AASB 7 – Servicing contracts and applicability of the amendments to AASB 7 to condensed interim financial statements; • AASB 119 – Discount rate: regional market issue; and • AASB 134 – Disclosure of information 'elsewhere in the interim financial report'. 	<p>Applicable to annual reporting periods beginning on or after 1 January 2016</p>	<p>Optional</p>

New or revised requirement	When effective	Applicability to 30 June 2015 full years
<p>AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</p> <p>Amends AASB 101 <i>Presentation of Financial Statements</i> to provide clarification regarding the disclosure requirements in AASB 101.</p> <p>Includes narrow-focus amendments to address concerns about existing presentation and disclosure requirements and to ensure entities are able to use judgements when applying a Standard in determining what information to disclose in their financial statements.</p>	Applicable to annual reporting periods beginning on or after 1 January 2016	Optional
<p>AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</p> <p>Completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn.</p>	Applicable to annual reporting periods beginning on or after 1 July 2015	Optional
<p>AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent</p> <p>Amends AASB 128 <i>Investments in Associates and Joint Ventures</i> to align the relief available in AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 in respect of the financial reporting requirements for Australian groups with a foreign parent.</p> <p>Amendments are made to AASB 128 to require that the ultimate Australian entity shall apply the equity method in accounting for interests in associates and joint ventures if either the entity or the group is a reporting entity, or both the entity and group are reporting entities.</p>	Applicable to annual reporting periods beginning on or after 1 July 2015	Optional
<p>AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception</p> <p>Amends AASB 10 <i>Consolidated Financial Statements</i>, AASB 12 <i>Disclosures of Interests in Other Entities</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>, to:</p> <ul style="list-style-type: none"> confirm that the exemption from preparing consolidated financial statements set out in paragraph 4(a) of AASB 10 is available to a parent entity that is a subsidiary of an investment entity; clarify the applicability of AASB 12 to the financial statements of an investment entity; and introduce relief in AASB 128 to permit a non-investment entity investor in an associate or joint venture that is an investment entity to retain the fair value through profit or loss measurement applied by the associate or joint venture to its subsidiaries. 	Applicable to annual reporting periods beginning on or after 1 January 2016	Optional
<p>AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Non-for-Profit Public Sector Entities</p> <p>Extends the scope of AASB 124 to not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities.</p>	Applicable to annual reporting periods beginning on or after 1 July 2016	Optional

New and revised Interpretations

New or revised requirement	When effective	Applicability to 30 June 2015 full years
----------------------------	----------------	--

Interpretation 21 *Levies*

Clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time.

Applies to annual periods beginning on or after 1 January 2014

Mandatory

Pronouncements approved by the IASB/IFRIC where an equivalent pronouncement has not been issued by the AASB

At the date of publication, there are no pronouncements approved by the IASB/IFRIC that have yet to be issued by the AASB.

Corporations Act 2001 developments

Development	When effective
-------------	----------------

Corporations Legislation Amendment (Deregulatory and Other Measures) Act 2015

19 March 2015

Amends some of the remuneration report requirements. The most significant amendments are:

- limiting the requirement to prepare a remuneration report to only listed disclosing entities that are companies;
- removing the requirement to disclose percentage value of remuneration consisting of options; and
- removing the requirement to report the value of lapsed options and the percentage value of remuneration consisting of options, and replacing this with a requirement to disclose the number of lapsed options and the year in which the lapsed options were granted.

Other developments

The following are other developments that may have direct or indirect impacts on financial reporting:

- ASIC focus areas for financial reporting - Consistent with prior periods the Australian Securities & Investments Commission (ASIC) is focused on the quality of financial reporting and disclosures that provide useful and meaningful information for investors and other users. ASIC continues to encourage preparers of financial reports to focus on the appropriateness of key accounting policy choices that can significantly affect reported results. ASIC also emphasised the importance of evaluating the need to impair goodwill and other assets. Key areas of focus for this financial season include:
 - accounting estimates – impairment testing, asset values and amortisation of intangible assets;
 - accounting policy choices – off-balance sheet exposures and new accounting standards, revenue recognition, expense deferral policies and tax accounting; and
 - key disclosures – estimates and accounting policy judgements and impact of new revenue standard.
- In March 2014, The ASX Corporate Governance Council released the [Third edition of its Corporate Governance Principles and Recommendations](#), effective for financial years commencing on or after 1 July 2014. The new edition reflects developments in corporate governance which aim to elevate sustainability risks and disclosures, which is consistent with an increasing global focus on sustainability reporting and disclosures. The new edition includes a new recommendation 7.4 that deals with sustainability risks is as follows: “A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages those risks or intends to manage those risks.” The ASX governance-related listing rules have also been updated for the same period.
- In December 2014, the ASIC announced the results from a review of 30 June 2014 financial reports that covered 300 listed and other public interest entities. ASIC noted that preparers of financial reports should ensure they provide high quality, useful and meaningful information. Based on its findings, ASIC has made inquiries of entities in areas such as:
 - impairment testing and other asset values
 - off-balance sheet arrangements and business combination
 - tax accounting
 - expense deferral
 - current classification of assets
 - fair value of financial instruments
 - revenue recognition
 - amortisation of intangibles

Online resources

Deloitte Australia website

The landscape of regulatory and accounting requirements is ever evolving as a result of new developments. New challenges – and opportunities – arise on an almost daily basis: International Financial Reporting Standards, Corporations law changes, carbon, best practice Corporate Governance, and the list goes on. Responding to these challenges and making the most of the opportunities they present is a critical objective of boards, audit committees and senior management alike.

Access to information about these important developments and understanding their practical and commercial implications is a crucial part of your organisation's response. In this regard, our Assurance and Advisory website assists you with hot topics, easy navigation, expert accounting technical information (including archives) and more detailed information about our services. The site and content is designed to assist you quickly find the information suited to your needs.

Our site is available at <http://www2.deloitte.com/au/en/pages/audit/solutions/accounting-technical.html>.

In keeping with the theme of easy access to critical information, you can also use our Quick links to get to the information on topics of key importance to you, such as:

- Monthly Roundups of financial reporting developments – <http://www2.deloitte.com/au/en/pages/audit/articles/monthly-roundup-2015.html>
- Advisory Services – <http://www2.deloitte.com/au/en/services/financial-advisory.html>
- Accounting-related information – <http://www2.deloitte.com/au/en/misc/litetopicpage.MF-AU-Tags.accounting-technical.html>

IAS Plus website

Our IAS Plus website provides the most comprehensive information on the Internet about international financial reporting. It is aimed at accounting professionals, businesses, financial analysts, standard-setters and regulators, and accounting educators and students. The site, which is totally free of charge, has a broad array of resources about the International Accounting Standards Board, International Financial Reporting Standards, and international accounting and auditing in general.

Access the site at www.iasplus.com

Other websites

- AASB – www.aasb.gov.au
- ASIC – www.asic.gov.au
- ASX – www.asx.com.au
- IASB – www.ifrs.org
- FASB – www.fasb.org (in addition to US-GAAP information, contains information on joint IASB/FASB projects)