

Model Financial Statements

Improving Disclosure

Financial years ending on or after 30 June 2016

June 2016



Model annual reports

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What are the big picture issues for June 2016?

Key considerations

The last 12-18 months have been relatively quiet in terms of amending Standards and new Interpretations that have become mandatorily effective for the first time. This trend continues in the current year with the next wave of major changes not expected until 2018/19. We recommend entities use this time to consider the impact to their financial statements of the major changes that are coming which also have significant disclosure consequences. In light of the recommendations coming out of the disclosure initiative, in particular, around only disclosing material information and tailoring the structure of the notes, we also encourage entities to assess whether the existing disclosures in their financial statements are as clear and relevant as they could be.

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

- **Withdrawal of references to AASB 1031 *Materiality***
AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn.
- **Financial reporting requirements for Australian groups with a foreign parent**
AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent requires 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.

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

- **New AASB/IASB pronouncements**
 The AASB has issued new standards on revenue and financial instruments, which will mandatorily apply from 1 January 2018, and leases, which will mandatorily apply from 1 January 2019. These standards form the basis of the 'next big wave' of pronouncements. A further pronouncement is expected on 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.
- **Revised Auditor Reporting Standards**
 The AUASB has issued several new and revised Auditing Standards, operative for financial reporting periods ending on or after 15 December 2016.
ASA 701 Communicating Key Audit Matters in the Independent Auditor's Report will require key audit matters, that is, those matters that, in the auditor's professional judgement, require significant auditor attention in performing the audit, to be disclosed in the auditor's report for listed entities. Consideration should be given to the adequacy of the disclosures provided in the financial statements relating to the key audit matters identified in the auditor's report. In particular, key areas of significant estimates and judgements highlighted in the accounts or noted as key audit matters should reflect symmetry of purpose.
- **Tax Laws Amendment (Combating Multinational Tax Avoidance) Act 2015**
 Amongst other tax specific issues, this legislation provides for certain significant global entities to lodge general purpose financial statements for income years commencing on or after 1 July 2016. Under the new requirements, if a relevant significant global entity has not lodged a general purpose financial statement with ASIC, it will be required to lodge a general purpose financial statement with the Australian Taxation Office (ATO) on or before the day lodgement of the entity's tax return is due. The ATO will be required to provide the general purpose financial statement to ASIC.
 Since the enactment of the legislation, the ATO has announced that it will release a discussion paper inviting stakeholders to provide feedback on the ATO's proposed administrative arrangements and to raise technical issues in October 2016.
 Where an entity meets the significant global entity criteria, it should monitor these discussions and consider the impact that this will have on their financial reporting obligations.

- **Tax Transparency Code**

In May 2015 the Government charged the Board of Taxation (BoT) with the task of leading the development of a code that promotes greater public disclosure of tax information by large corporates. The BoT released a consultation paper containing its preliminary findings and recommendations to Government for a Tax Transparency code (TTC) in December 2015. The BoT intends the TTC to set a minimum standard for content to be disclosed, but it expects that many businesses will make additional disclosures. These disclosures are expected to be included either in an entity's general purpose financial statements or a 'taxes paid' report.

The BoT expects the TTC to be in operation in time for the reporting period for the 2015-16 financial statements and annual reports and may see an increase in disclosures with respect to tax.

- **Relevant Financial Reporting**

There is a widely held perception amongst both preparers and users that financial reports are less relevant than they could be. Over the years, the piecemeal addition of new disclosure requirements combined with the use of technical jargon and/or boilerplate language has, in many cases, led to financial statements that are unwieldy, lacking in coherency and therefore difficult to understand.

Recently, there has been a push by both Australian and International Regulators and Standard Setters towards encouraging meaningful communication rather than just compliance in financial reporting.

The purpose of 'relevant financial reporting' is to improve financial statement disclosure, thereby enabling the directors to tell their 'story' in a more effective manner and to ensure that users are provided with relevant and reliable information that is useful. With this as the focus, there is a range of ways to make financial statements more relevant from 'quick wins' to a 'complete over-haul'.

Examples of techniques that can be applied to create relevant financial reporting are detailed on page A9.

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 2016. 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>.

Note, this publication assumes that an entity will apply the final and complete version of AASB 9 *Financial Instruments* in full rather than adopting AASB 9 in a piecemeal fashion. (Adopting AASB9 in a piecemeal fashion was only permitted where the initial application date was before 1 February 2015).

The tables below outline the new and revised pronouncements that are to be applied for the first time at 30 June 2016, 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 2016 full years
<p>AASB 9 <i>Financial Instruments</i>, AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>, AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E – Financial Instruments]</i>, AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></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>. The Standard carries over the existing derecognition requirements from AASB 139 but all other areas of AASB 139 have been revised.</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 not held for trading 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; and • 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>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 and loss – in these cases, the portion of the change in fair value related to changes 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>A new impairment model based on expected credit losses will apply to debt instruments measured at amortised cost or FVTOCI, lease receivables, contract assets and written loan commitments and financial guarantee contracts. The loan loss allowance will be for either 12-month expected losses or lifetime expected losses. The latter applies if credit risk has increased significantly since initial recognition of the financial instrument.</p> <p>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. However, some transition options exist that allow entities to essentially retain AASB 139 hedge accounting.</p> <p>[^] Note: this publication assumes that an entity will apply the final and complete version of AASB 9 in full, rather than adopting AASB 9 in a piecemeal fashion. Earlier versions of AASB 9 (and related amending Standards) can no longer be adopted.</p>	<p>Applies on a modified retrospective basis to annual periods beginning on or after 1 January 2018[^]</p>	<p>Optional[^]</p>

New or revised requirement	When effective	Applicability to 30 June 2016 full years
<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>
<p>AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15, AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of 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>	<p>Applicable to annual reporting periods beginning on or after 1 January 2018</p>	<p>Optional</p>
<p>AASB 16 Leases</p> <p>AASB 16 will replace AASB 117 <i>Leases</i>, Interpretation 4 <i>Determining whether an Arrangement contains a Lease</i>, Interpretation 115 <i>Operating Leases – Incentives</i> and Interpretation 127 <i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>. The Standard will provide a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.</p> <p>The new Standard introduces three main changes:</p> <ul style="list-style-type: none"> • Enhanced guidance on identifying whether a contract contains a lease; • A completely new leases accounting model for lessees that require lessees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets; and • Enhanced disclosures. <p>Lessor accounting will not significantly change.</p>	<p>Applicable to annual reporting periods beginning on or after 1 January 2019</p>	<p>Optional</p>

New or revised domestic Standards

New or revised requirement	When effective	Applicability to 30 June 2016 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>	<p>Applies to annual reporting periods beginning on or after 1 July 2016</p>	<p>Optional</p>
<p>AASB 1057 Application of Australian Accounting Standards, AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs</p> <p>This Standard effectively moved Australian specific application paragraphs from each Standard into a combined Standard. The Standard has no impact on the application of individual standards.</p>	<p>Applies to annual reporting periods beginning on or after 1 January 2016</p>	<p>Optional</p>

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 2016 full years
<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>
<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>

New or revised requirement	When effective	Applicability to 30 June 2016 full years
<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>	Applicable to annual reporting periods beginning on or after 1 January 2016	Optional
<p>AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128</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>	Applicable to annual reporting periods beginning on or after 1 January 2018	Optional
<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.</p> <p>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'. 	Applicable to annual reporting periods beginning on or after 1 January 2016	Optional
<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

New or revised requirement	When effective	Applicability to 30 June 2016 full years
<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>	<p>Applicable to annual reporting periods beginning on or after 1 July 2015</p>	<p>Mandatory</p>
<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>	<p>Applicable to annual reporting periods beginning on or after 1 July 2015</p>	<p>Mandatory</p>
<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 AASB 10.4(a) 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. 	<p>Applicable to annual reporting periods beginning on or after 1 January 2016</p>	<p>Optional</p>
<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>	<p>Applicable to annual reporting periods beginning on or after 1 July 2016</p>	<p>Optional</p>
<p>AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities</p> <p>Amends AASB 13 <i>Fair Value Measurement</i> to relieve not-for-profit public sector entities from certain disclosures applying to assets within the scope of AASB 16 <i>Property, Plant and Equipment</i> that are held primarily for their current service potential rather than to generate future net cash inflows.</p> <p>The relief is temporary pending the outcome of related AASB projects.</p>	<p>Applicable to annual reporting periods beginning on or after 1 July 2016</p>	<p>Optional</p>

New or revised requirement	When effective	Applicability to 30 June 2016 full years
<p>AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses</p> <p>Amends AASB 112 <i>Income Taxes</i> to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.</p>	Applicable to annual reporting periods beginning on or after 1 January 2017	Optional
<p>AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</p> <p>Amends AASB 107 <i>Statement of Cash Flows</i> to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.</p>	Applicable to annual reporting periods beginning on or after 1 January 2017	Optional

New and revised Interpretations

At the date of publication, there are no new or revised Interpretations issued by the AASB.

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

New or revised requirement	When effective	Applicability to 30 June 2016 full years
<p>Clarifications to IFRS 15 Revenue from Contracts with Customers</p> <p>Clarifies some requirements and provides additional transitional relief for companies that are implementing the new Standard. The amendments do not change the underlying principles of the Standard, but rather clarify how those principles should be applied.</p>	Applicable to annual reporting periods beginning on or after 1 January 2018	Optional

Corporations Act 2001 developments

Development	When effective
<p>Corporations Amendment (Remuneration Disclosures) Regulation 2016</p> <p>Amends some of the remuneration report requirements to address inconsistencies that arose when Australian specific disclosure requirements were removed from AASB 124 <i>Related Party Disclosures</i> and it was intended they be inserted into the Corporations Regulations. The amendment effectively replaces Class Order 14/632, which was issued as an interim measure to ensure that the original policy intent of the regulations were met, pending the Corporations Act amendment.</p>	17 April 2016

Other developments

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

ASIC

- 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:
 - policy choices – off-balance sheet exposures, revenue recognition, expense deferral policies and tax accounting;
 - key accounting estimates – impairment testing and asset values; and
 - accounting disclosures – estimates and accounting policy judgements and impact of new revenue and financial instruments standards.
- In December 2015, the ASIC announced the results from a review of 30 June 2015 financial reports that covered 240 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:
 - Asset values and impairment testing
 - Revenue recognition
 - Tax accounting
 - Deferred expenses
 - Classification of liabilities
 - Estimates and accounting policy judgements

Relevant Financial Reporting

There is a widely held perception amongst both preparers and users that financial reports are less relevant than they could be. Over the years, the piecemeal addition of new disclosure requirements combined with the use of technical jargon and/or boilerplate language has, in many cases, led to financial statements that are unwieldy, lacking in coherency and therefore difficult to understand.

Recently, there has been a push by both Australian and International Regulators and Standard Setters towards encouraging meaningful communication rather than just compliance in financial reporting.

The purpose of 'relevant financial reporting' is to improve financial statement disclosure, thereby enabling the directors to tell their 'story' in a more effective manner and to ensure that users are provided with relevant and reliable information that is useful. With this as the focus, there is a range of ways to make financial statements more relevant from 'quick wins' to a 'complete over-haul'.

Examples of techniques that can be applied to create relevant financial reporting are shrink, structure and sharpen:

Shrink

- Remove 'boiler-plate' accounting policy narrative that is not applicable to the client. Do not disclose accounting policies that might only become relevant in the future;
- Only discuss accounting standards that have been issued, but that are not yet effective, where these are material to the entity;
- Tailor disclosures about significant judgements and estimates to only include those items that have a material impact on the financial statements;
- Remove immaterial note disclosures (for example, disclosure of prepayments and disclosure of insignificant defined benefit schemes);
- Apply materiality assessments to financial instrument disclosures and other disclosures;
- Make use of cross-referencing to avoid repetition within the financial report; and
- Make reductions through the creative use of tables, graphs, graphics and font.

Structure

- Reorder disclosures in order of importance with the most relevant information presented first. For example, notes relating to performance presented first, with notes relating to less material items presented last;
- Group related notes together. For example,
 - performance notes (segment report, revenue and expenses, taxation and working capital); and
 - group structure notes (business acquisitions, subsidiaries, deed of cross guarantee and parent entity information);
- Include accounting policy narrative within the note to which it relates. For example, include the property, plant and equipment accounting policy within the property, plant and equipment note;
- Improve structure through the creative use of tables, graphs, graphics and font; and
- Include details of significant estimates and judgements within the note to which they relate.

Sharpen

- Tailor disclosures to describe the actual circumstances of the company;
- Avoid the use of generic 'boiler plate' language;
- Replace accounting jargon and technical language with plain English. For example, use short sentences, full terms instead of abbreviations, simple language and active voice in written narrative; and
- Improve the design through creative use of tables, graphs, graphics, colour and font.

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 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:

- 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)