



Australian Government
Australian Accounting Standards Board

AASB Roundtable: ED 295 *Simplified Disclosures for Tier 2 Entities* Webinar

18 November 2019

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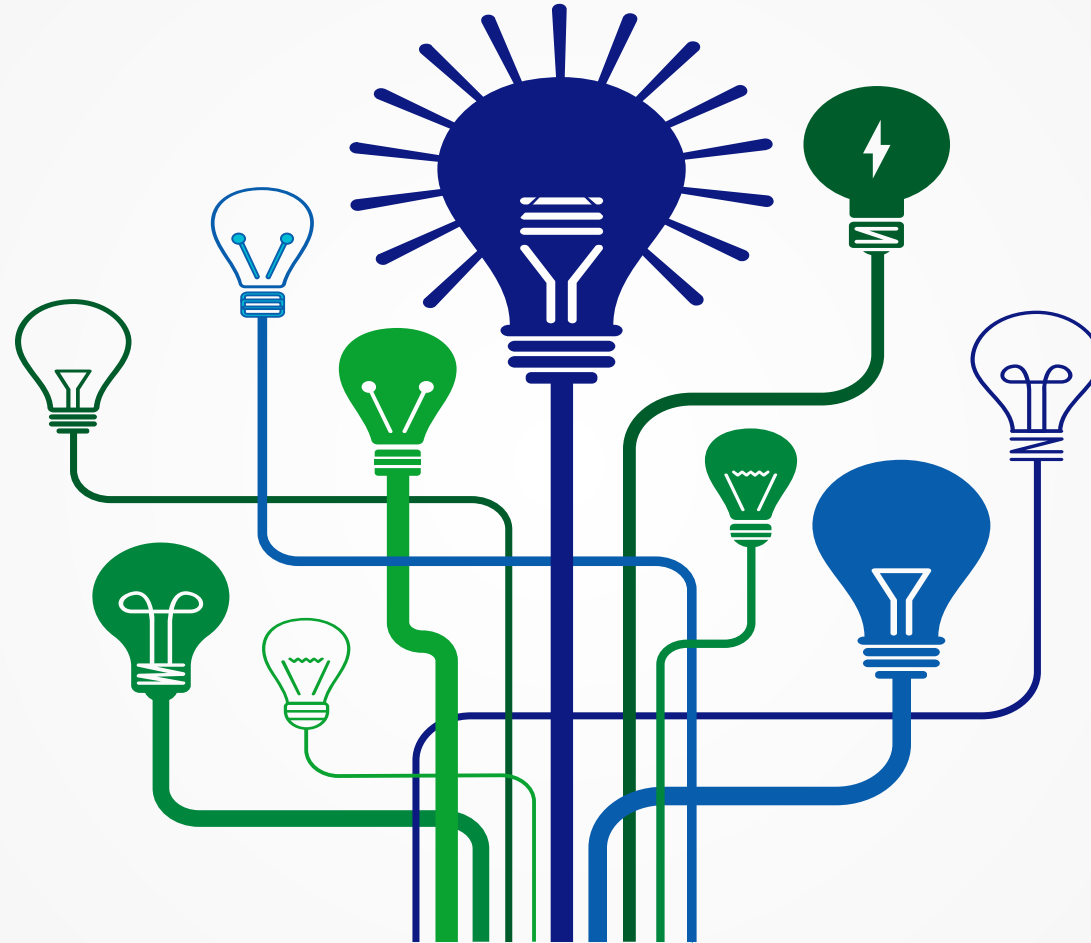
- Objective of today's session
- Structure of today's session
- What we are proposing
- Why we are making the proposals
- What methodology we used in developing the ED
- What the proposals mean for you
- Polling questions



What is your role (if multiple, please just choose the most prevalent)?

- Preparer
- Auditor
- User
- Technical advisor
- Other





Education

- proposals of ED 295
- approach taken
- impacted entities
- expected impact

Feedback

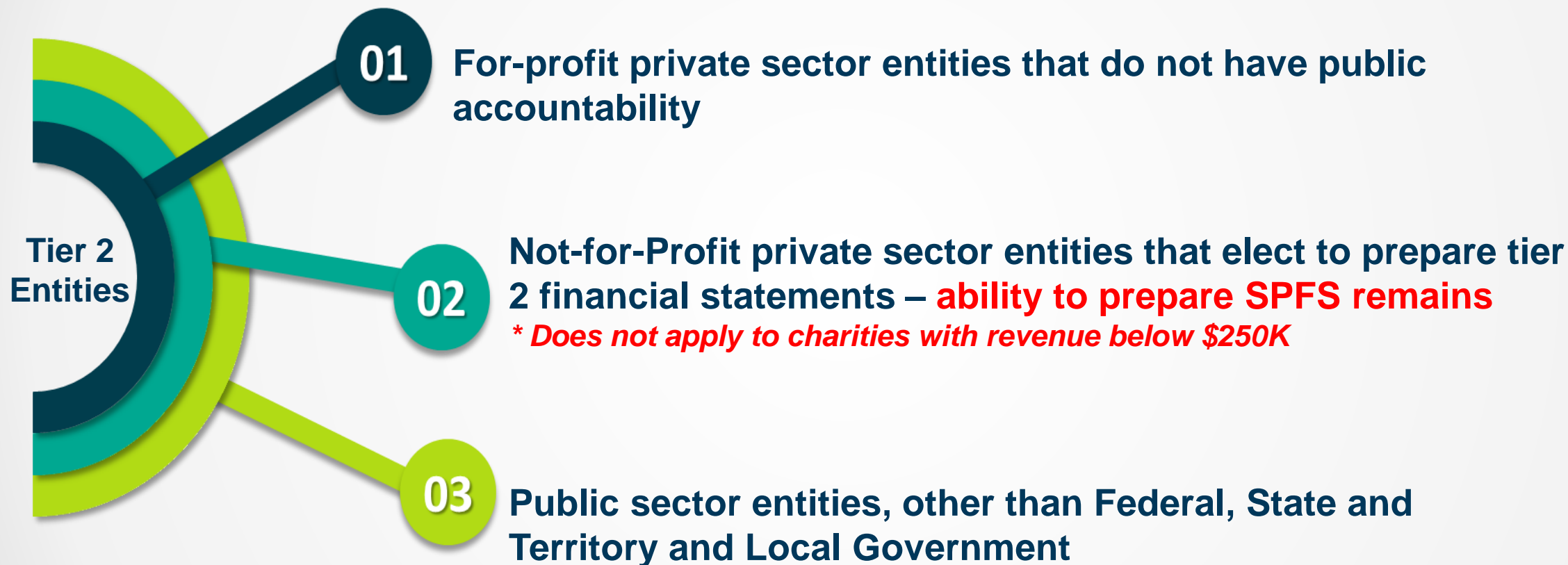
- On reduced disclosures
- On additional disclosures
- On any missing disclosures



- **New standalone disclosure standard applicable to all Tier 2 entities to replace RDR**
- **Reduction in current Tier 2 disclosure requirements – name changed to make it clearer**
- **Reduction compared with previous ED proposals**



Scope – Who will the simplified disclosures apply to



Rationale – Why did we make the proposal

Proposed removal of SPFS for certain for-profit entities

RDR did not deliver outcome expected and changes proposed by ED 277 were not enough

ITC 39 proposals not supported

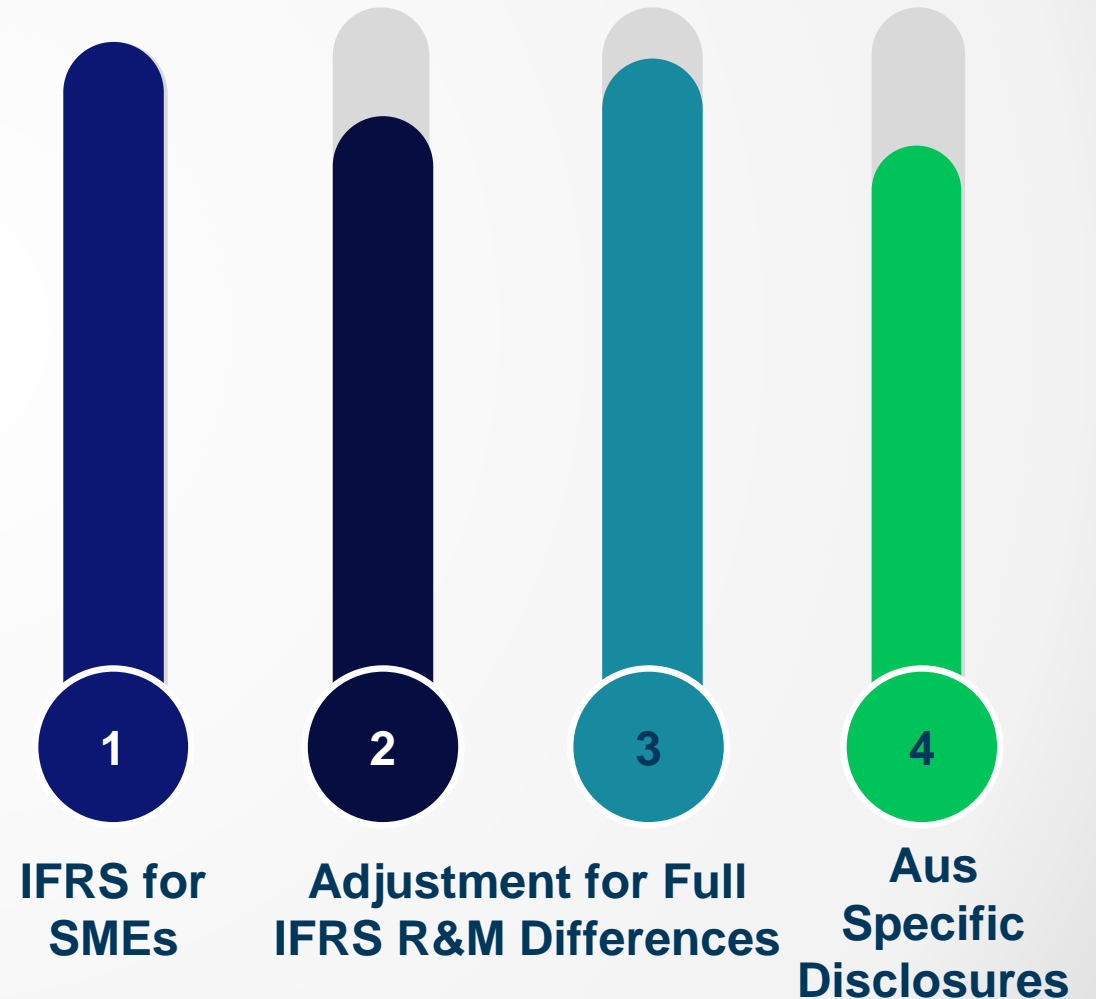
Balances user needs with costs to preparers

Maximum use of IFRS based materials



Methodology – How did we develop the ED

- 1** Use IFRS for SMEs disclosures as a starting point
- 2** Remove disclosures that do not relate to R&M in full IFRS
- 3** Adapt disclosures where R&M principles significantly different
- 4** Add disclosures for topics not addressed, or where Australian specific disclosures are required; extended application to public sector and NFP entities





**Considerable
reduction in
disclosures
compared to RDR**



**Option not to present
separate SoCiE in
some circumstances**



**Additional
disclosures not
currently in RDR**



**Step up for
entities that
currently
prepare SPFS**

- Should Tier 2 entities be given the option of not preparing a statement of changes in equity?
 - Yes
 - No
 - Unsure (provide more information via survey at the end)



Main reduction in disclosures compared to RDR

Revenue from contract with customers (AASB 15)

Financial instruments, including hedging (AASB 7)

Interests in Subsidiaries, Associates & JVs (AASB 12) and Business Combinations (AASB 3)

Leases (AASB 16)

Primary financial statements: Option of not including statement of changes in equity

Other income & expense disclosures; income tax reconciliation; impairment; and discontinued operations



- Should a tax reconciliation be required?
 - Yes
 - No
 - Unsure (provide more information via survey at the end)



Increase in disclosures compared to RDR

Hedging disclosures:
Cash flow hedges – periods when cash flows are expected to occur/ affect profit or loss
Fair value hedges: separately amount of change in FV of hedging instrument & hedged item*

Leases of lessees: maturity analysis of future lease payments
Lessors: variable lease payments recognised as income and **loss allowance for lease receivables***

Defined benefit plans (**some not required under full IFRS**),
Other long-term benefits and termination benefits*

Business combination: qualitative factors that make up goodwill

Other – General information about the entity (domicile etc) and audit fees

* Red font indicates disclosures not required under full IFRS



- Should disclosures be required where they go beyond full AAS/IFRS?
 - Yes
 - No
 - Unsure (provide more information via survey at the end)



- Should disclosure of a maturity analysis be required for
 - a. Only lease liabilities (ie general requirement to disclose information about maturity etc is sufficient for other financial liabilities)
 - b. For both lease liabilities & any other financial liabilities
 - c. None of them (ie a general requirement to disclose information about maturity & repayment schedule is sufficient for all financial liabilities, including lease liabilities)
 - Unsure (provide more information via survey at the end)



- Do you agree that Tier 2 entities should disclose audit and non-audit fees?
 - Yes
 - No
 - Unsure (provide more information via survey at the end)



Timeline



- Do you agree with the approach to include all disclosure requirements for Tier 2 entities in one stand-alone standard?
 - Yes
 - No
 - Unsure (provide more information via survey at the end)



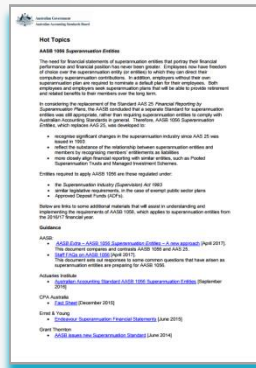
- Overall - do you agree that the proposed Simplified Disclosures should replace RDR?
 - Yes
 - No
 - Unsure (provide more information via survey at the end)



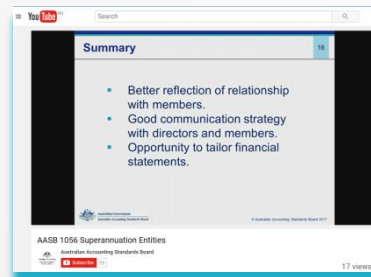




- Staff papers and research reports



- Hot Topics – guidance and reference material on the latest developments in standard setting



- YouTube channel – view AASB webinars & other recordings



Pronouncements

- ✓ identify Standards or Interpretations applicable to a reporting period

News & Alerts

- ✓ news alerts & media releases
- ✓ weekly newsletter

Outreach Events

- ✓ forums, roundtables, webcasts
- ✓ international guests & key experts

Work Program & Project Summaries

- ✓ the latest developments on AASB projects

Work in Progress

- ✓ see Exposure Drafts & AASB submissions





Discussion group
AASB Alumni



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