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HALL CHADWICK

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INTRODUCTION

Crucial topics for 31 December reporting and beyond

In this issue of Corporate Advisor, we explain 13, financial and sustainability reporting, corporate-governance regulatory topics of crucial importance to CFOs and directors.

31 December reporting season is here, and there is much for all to absorb and act upon.

ASIC's focus areas are like 30 June – revenue, impairment and asset values, provisions, events occurring after year-end and before completing financial reports, disclosures in the reports and operating and financial reviews.

We need to take a fresh look at what ASIC is telling us. What gives them a different complexion is the current uncertain markets and economic conditions including the effect of Trump tariffs.

The Hall Chadwick team trust that the appendix ASIC 'enduring' focus areas for financial reporting will help preparers, audit committees, and directors.

ASIC has released its 2026 enforcement priorities, insights into whistleblowing and guidance on managing conflicts of interest. Governance and report preparers need to be alert to these developments.

Sustainability and climate change, its subset here in Australia, are a mountain to climb. Financial reporting and climate changes are interrelated, and then there is the first-time preparation of sustainability reports for Group 1 entities. There is a helpful resource from CA ANZ in its Sustainability Playbook.

The Association of Superannuation Funds of Australia has launched a Scams and Fraud Toolkit and companion Scams Policy Template. A handy resource that can be applied broadly.

From 1 July, employers will be required to deposit employees' super into accounts within seven business days of payday. It is a cash flow and compliance challenge.

So, what to do? Understand and act on the relevant developments. Update corporate risk registers.

The Hall Chadwick team looks forward to collaborating with you on the challenges ahead.

ASIC 'ENDURING' FINANCIAL-REPORTING FOCUS AREAS

By Mark Delaurentis, Partner, Hall Chadwick (WA)

The Australian Securities & Investments Commission has published 'enduring' audit and financial-reporting areas for FY 2025-26.

The commission's focus remains unchanged for 31 December balance dates (see Appendix: ASIC's 'enduring' focus areas for financial reporting).

ASIC reviews full-year financial reports of selected listed and other public-interest entities. This includes a sample of financial reports from registrable superannuation entities and large proprietary companies (grandfathered companies) that were formerly exempt from lodging audited financial statements.

Some companies have failed to lodge reports since the exemption was removed. ASIC will follow up non-lodgements and might decide to take appropriate regulatory action.

The commission continues to focus on areas where significant judgement from report preparers is needed. These include revenue recognition, asset valuation, and estimation of provisions.

ASIC will continue to review RSE financial reports as well as a selection of RSE audit files. The focus areas for RSE financial reports include the measurement and disclosure of investment portfolios and disclosure of marketing and advertising expenses.

Sustainability reporting in accordance with AASB S2 Climate-related disclosures will be mandatory for Group 1 entities with financial years commencing on or after 1 January that:

- Are required to prepare an annual financial report under Chapter 2M of the Corporations Act 2001
- Meet certain sustainability reporting thresholds, and
- Have not obtained sustainability-reporting relief from ASIC.

ASIC will review 31 December sustainability reports and share its observations with the market. The commission said that it would take a proportionate and pragmatic approach to supervision and enforcement as sustainability requirements are phased in. Preparers of sustainability disclosures should refer to regulatory guide 280 Sustainability reporting for more information.

ASIC has updated information sheet 284 Public companies to include a consolidated entity disclosure statement in their annual financial report. The update reflects recent legislative amendments that clarify the tax-residency-disclosure requirements where entities are resident in more than one jurisdiction as well as when an entity is an 'Australian resident' for the purposes of the consolidated-entity disclosure statement, including partnerships and trusts.

YEAR-END FINANCIAL REPORTING REMINDERS

By Drew Townsend, Partner, Hall Chadwick (NSW)

The only new requirement under Australian Accounting Standards that is effective for 31 December 2025 year-ends is an amendment to AASB 121 The Effects of Changes in Foreign Exchange Rates.

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

Australian Sustainability Reporting Standards set out the sustainability-related and climate-related financial disclosures for sustainability reports/ general purpose financial reports.

Group 1 entities with a 31 December 2025 year-end are required by the Corporations Act to comply with AASB S2 Climate-related Disclosures.

The threshold for Group 1 entities is: 500+ employees, consolidated gross assets $1billion+, and consolidated revenue $500m+; and NGER reporters above NGER publication threshold 50,000 tonnes of carbon dioxide equivalence scope 1 and 2 emissions.

Entities may elect to apply the voluntary Standard AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information.

The following accounting standards are effective for annual reporting periods commencing 1 January 2026.

- Classification and Measurement of Financial Instruments – Amendments to AASB 9 and AASB 7
- Annual Improvements to AASB Standards
- Contracts referencing Nature-dependent Electricity – Amendments to AASB 9 and AASB 7.

AASB 18 Presentation and Disclosure in Financial Statements (for profit entities) is effective for annual reporting periods commencing 1 January 2027 (comparatives for 1 January 2026 for 31 December balancers) and not-for profit and superannuation entities version a year later.

HIGH-QUALITY REPORTS AND AUDITS NEEDED

By Michael Hillgrove, Partner, Hall Chadwick (WA)

Directors and superannuation trustees are primarily responsible for the quality of their financial reports under the Corporations Act 2001 and applicable Australian accounting and sustainability standards.

This includes ensuring that management produces high-quality and timely financial information supported by robust position papers with appropriate analysis and conclusions.

Appropriate experience and expertise should be applied in the reporting process, particularly in more difficult and complex areas, such as asset values, provisions, revenue arising from contracts with customers, capitalisation of expenditure, expected credit losses and other estimates, the impact of post-balance-date events, and disclosure.

The basis and circumstances related to management's judgements on accounting estimates and forward-looking information should be documented at the time and disclosed in financial reports.

Auditors have an essential role in the production of high-quality financial reports and are reminded to focus their attention and use their professional scepticism about elements of the financial report that require the greatest amount of professional judgement and estimation. Financial-reporting focus areas are important for auditors.

OVER $2.2 MILLION IN FINES FOR ALLEGED LODGEMENT FAILURES

By Vinay Sheoran, Partner, Hall Chadwick (NSW)

ASIC has issued infringement notices to 12 large proprietary companies for allegedly failing to lodge their FY24 audited financial reports on time. The commission fined each company at least $187,000. Fines totalled more than $2.2m.

For those companies that have outstanding financial reports, ASIC's investigation remains open.

'Targeting financial-reporting misconduct including failure to lodge financial reports is an ASIC enforcement priority for 2026', said ASIC commissioner Kate O'Rourke.

'ASIC will continue to monitor and address lodgement failures, including taking regulatory action for ongoing non-compliance.

'We are stepping up enforcement action against financial-reporting misconduct and will continue to leverage a range of data sources to identify potential non-compliance, including notifications by auditors.'

'Large' proprietary companies must prepare and lodge financial statements and a director's report within four months after the end of a financial year unless granted relief.

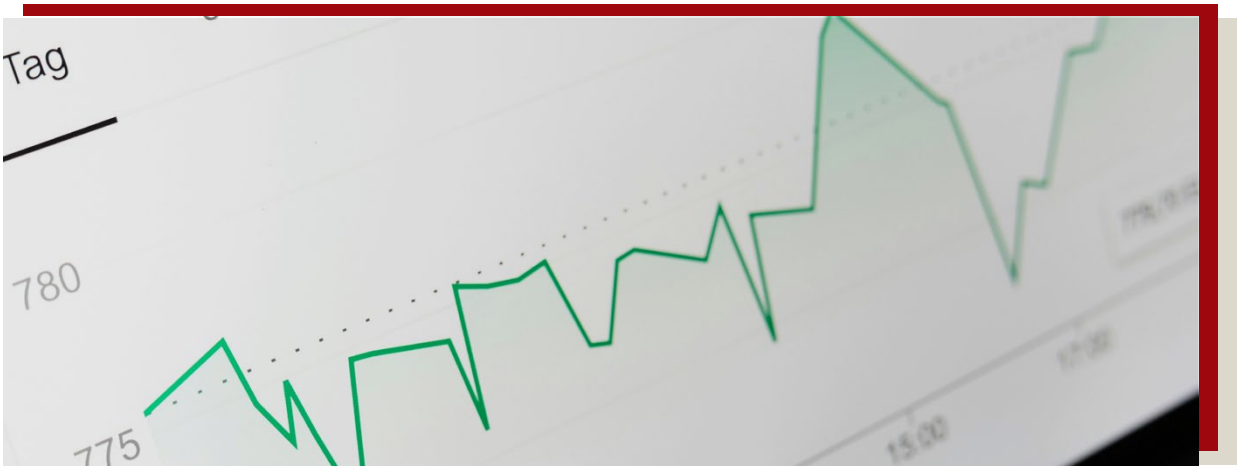
A proprietary company is classified as 'large' if it meets at least two of the following criteria for a financial year:

- Consolidated revenue of the company and any entities it controls is $50 million or more
- Consolidated gross assets of the company and any entities it controls is $25 million or more, and
- Company and any entities it controls have 100 or more employees.

The amounts are determined in accordance with relevant AASB accounting standards.

Whether a company meets these criteria can depend on how a business is structured.

Seek advice on whether these criteria are met.



ACL FINED $5.8M FOR DATA BREACH

By Chris Nicoloff, Partner, Hall Chadwick (WA)

The Federal Court has fined Australian Clinical Labs $5.8 million in civil penalties following a data breach by its Medlab Pathology in February 2022.

The breach resulted in unauthorised access and potential use of the personal information of more than 223,000.

The fine was the first under the Privacy Act 1988.

Australian Information Commissioner Elizabeth Tydd welcomed the court's decision, saying that it provided 'an important reminder to all entities [subject to privacy provisions] that they must remain vigilant in securing and responsibly managing the personal information they hold.

'These orders also represent a notable deterrent and signal to organisations to ensure they undertake reasonable and expeditious investigations of potential data breaches and report them to the Office of the Australian Information Commissioner appropriately.

'Entities holding sensitive data need to be responsive to the heightened requirements for securing this information as future action will be subject to higher penalty provisions now available under the [act].'

The Federal Court:

- Ordered a penalty of $4.2 million for ACL's failure to take reasonable steps to protect the personal information it held on MedlXab Pathology's IT systems under Australian Privacy Principle 11.1, which amounted to more than to 223,000 contraventions of s13G(a)
- Fined ACL $800,000 for its failure to conduct a reasonable and expeditious assessment of whether an eligible data breach had occurred following the cyberattack on the Medlab Pathology IT systems in February 2022, in contravention of s26WH(2), and
- Fined it $800,000 for failures to prepare and send to the Australian Information Commissioner as soon as practicable a statement concerning the eligible data breach, in contravention of s26WK(2).

Justice John Halley said that ACL's contraventions were 'extensive and significant.' He found that:

- ACL's most senior management participated in the decision-making around the integration of Medlab's IT systems into its core environment and its response to the Medlab Cyberattack, including whether it amounted to an eligible data breach
- ACL's contraventions [...] resulted from its failure to act with sufficient care and diligence in managing the risk of a cyberattack on the Medlab IT Systems
- ACL's contravening conduct [...] had at least the potential to cause significant harm to individuals whose information had been exfiltrated, including financial harm, distress or psychological harms, and material inconvenience
- The contraventions had the potential to have a broader impact on public trust in entities holding individuals' private and sensitive information.

The penalties were imposed under a regime that was in force at the time of the contraventions, a maximum penalty of $2.22 million per contravention pertaining.

A new penalty regime as of 13 December 2022 allows the court to impose much higher penalties. Under the new regime, maximum penalties per contravention can be as much as $50 million, three times the benefit derived from the conduct, or up to 30 per cent of a business's annual turnover per contravention.

Privacy Commissioner Carly Kind said: 'This outcome represents an important turning point in the enforcement of privacy law in Australia.

'For the first time, a regulated entity has been subject to civil penalties under the Privacy Act, in line with the expectations of the public and the powers given to the OAIC by parliament.

'This should serve as a vivid reminder to entities, particularly providers operating within Australia's healthcare system, that there will be consequences of serious failures to protect the privacy of those individuals whose healthcare and information they hold.'

The act includes 13 legally-binding principles. They apply to organisations and government agencies covered by the act, including most Australian government agencies and specified private-sector organisations, particularly those handling personal and sensitive information or with annual revenues over $3 million.

The 13 principles apply to:

- The collection, use, and disclosure of personal information
- An organisation or agency's governance and accountability
- Integrity and correction of personal information, and
- The rights of individuals to access their personal information.

CA ANZ LAUNCHES SUSTAINABILITY PLAYBOOK

By Doug Bell, Partner, Hall Chadwick (WA)

Chartered Accountants Australia and New Zealand has released its Sustainability Playbook, a practical guide designed to help accounting and finance professionals build the skills and confidence to navigate one of the most significant transformations in decades in corporate reporting.

From 1 January 2025, Australia introduced mandatory climate-related disclosures for large entities, with similar requirements already in place in New Zealand. The changes marked a new era for the profession, where sustainability was no longer a niche topic but a core capability.

The Sustainability Playbook gives accounting and finance professionals practical guidance to build the sustainability capabilities they need. They include:

- Why sustainability matters, and how accountants are taking a leading role
- Actionable strategies to build capability, structure finance teams, and prepare for sustainable accounting and audit practices
- Learning opportunities and resources to support ongoing capability building, and
- Spotlighting real-world examples of sustainability in action, showing how accountants are helping organisations manage climate risk, unlock strategic opportunities, and create long-term value.

In collaboration with the Responsible Investment Association Australasia, CA ANZ has also published a new guide for investors on assurance.

Navigating the Australian climate-related financial disclosure landscape: Guide to assurance for investors aims to help investors, as primary users, understand the assurance requirements linked to Australia's mandatory climate-related financial-disclosure regime.

ASIC ANNOUNCES 2026 ENFORCEMENT PRIORITIES

By Stewart Thompson, Partner, Hall Chadwick (NSW)

Private credit practices, financial-reporting misconduct, insurance complaints and claims handling, and misleading pricing are among a range of new enforcement priorities that ASIC has unveiled for 2026.

ASIC deputy chair Sarah Court said the commission's 2026 enforcement priorities have been designed to protect consumers from financial harm and uphold the integrity of Australia's financial markets.

'We're doing more investigations, taking more matters to court, and securing record penalties,' she said.

'In the last 12 months, we've doubled the number of new investigations and nearly doubled the number of new matters filed in court.

'We've also worked hard to increase our criminal prosecutions, and seen lengthy sentences imposed for financial fraud offences.'

ASIC's new enforcement priorities are:

- Misleading pricing practices affecting cost of living
- Poor private credit practices
- Financial-reporting misconduct, including failure to lodge financial reports
- Claims and complaint-handling failures by insurers, and
- Holding those responsible to account for the collapse of the Shield and First Guardian Master Funds.

Continuing enforcement priorities are:

- Strengthening investigation and prosecution of insider trading
- Misconduct exploiting consumers facing financial difficulty, including predatory credit practices
- Unlawful practices seeking to evade small-business creditors
- Holding super trustees to account for member-services failures, and
- Auditor misconduct.

More than 40 investigators are probing the collapse of the Shield and First Guardian Master Funds. As one of ASIC's biggest and most-complex cases, it has a dedicated priority.

'We have been focused on returning available money to investors, and the next stage is holding those responsible to account for the Shield and First Guardian collapses,' said Ms Court.

The commission's enduring priorities include protecting First Nations and vulnerable consumers, upholding market integrity, acting against systemic failures, and ensuring a fair, strong, and efficient financial system.

ASIC UNCOVERS POOR CORPORATE WHISTLEBLOWER POLICIES

By Mark Taylor, Partner, Hall Chadwick (QLD)

ASIC has released report 827 Insights from the ASIC Whistleblower Questionnaire: July 2024 to June 2025. It reveals poor practices and policies.

ASIC has released report 827 Insights from the ASIC Whistleblower Questionnaire: July 2024 to June 2025. It reveals poor practices and policies.

It reviews the whistleblower status of 134 entities in 18 industries, examining how far companies have adopted better practices outlined in previous ASIC publications.

ASIC's review found:

- Significant variation in the 'maturity' of whistleblower practices
- Over a third of participating entities failed to provide a dedicated whistleblower web-page for raising concerns
- A quarter failed to provide regular staff training in their whistleblower programs, and
- More than half had not sought employee feedback on their whistleblower programs in the past year.

ASIC commissioner Alan Kirkland said: 'Whistleblowers play a crucial role in identifying and exposing misconduct that can harm customers, shareholders, companies, and the broader community.

'Without effective policies and programs to encourage whistleblowers to come forward, misconduct may otherwise go unreported and undetected.

'We encourage companies to benchmark themselves against the findings of the report and consider how they can improve their own whistleblower policies and practices.'

ASIC will continue to monitor whistleblower practices and engage with companies identified as having non-compliant or significantly less-mature practices.

SUPER TO BE PAID WITH SALARY

By Nikki Shen, Partner, Hall Chadwick (WA)

Legislation to require employers to pay their employees' super at the same time as their salary and wages has passed parliament.

From 1 July, employers will be required to deposit employees' super into accounts within seven business days of payday.

While most employers do the right thing, the Australian Taxation Office estimates that $6.25 billion worth of super went unpaid in the recent financial year.

The new law will:

- Require employers to ensure super contributions are received by the employee's fund within seven business days of payday or they will be liable for the superannuation guarantee charge
- Help the Australian Taxation Office enforce the law and more quickly identify employers not making contributions, and
- Redesign the superannuation guarantee charge to be fit for purpose and make Payday Super work.
- Unlawful practices seeking to evade small-business creditors

The ATO will monitor compliance for 12 months after the change. Its approach will differentiate between low and high-risk employers.

Employers that are trying to pay contributions in line with pay cycles can fall into a low-risk category.

ASFA LAUNCHES SCAM-PREVENTION AIDS

By Steven Nguyen, Partner, Hall Chadwick (VIC)

ASIC has released report 827 Insights from the ASIC Whistleblower Questionnaire: July 2024 to June 2025. It reveals poor practices and policies.

The Association of Superannuation Funds of Australia has launched a Scams and Fraud Toolkit and companion Scams Policy Template to help superannuation trustees strengthen their fraud and scam controls and respond to regulatory and community expectations about financial-crime prevention.

The resources bring together key legal obligations and prudential expectations that apply to trustees about scams and fraud, consolidating them into easy-to-read, practical reference points.

The toolkit:

- Maps the main legislative and prudential obligations that shape trustees' fraud and scam responsibilities
- Summarises prevention, detection, and response expectations for trustees under existing APRA and ASIC guidance
- Sets out common superannuation fraud and scam risks, such as unauthorised transfers, rollover fraud, and misuse of member credentials, along with indicative controls and reporting expectations, and
- Provides practical checklists trustees can use to test whether their risk management and settings adequately address fraud and scam threats.

The template:

- Brings together the core elements expected in a scams policy, including governance, prevention, detection, reporting, disruption, and remediation
- Aligns with emerging scams-prevention models and expectations of key regulators, and
- Clarifies the roles of boards, senior management, and accountable persons in overseeing scam risk and certifying the effectiveness of controls.

UPDATED GUIDANCE ON MANAGING CONFLICTS OF INTEREST

By Clive Massingham, Partner, Hall Chadwick (QLD)

ASIC updated its regulatory guidance on managing conflicts of interest for Australian financial-services businesses.

The updated RG 181 AFS Licensing: Managing Conflicts of Interest sets out clear, principles-based guidance. It replaces guidance issued in August 2004.

Under section 912A(1)(aa) of the Corporations Act 2001, AFS licensees must have adequate arrangements in place to manage effectively conflicts of interest, except those that occur wholly outside a financial-services business.

RG 181 aims to help licensees fulfil their licensing obligations to have robust arrangements and tailored conflict management in place.

Key updates include:

- How the law applies to conflicts of interest, including the scope of the conflicts-management obligation and links to other related obligations
- The types of conflicts AFS licensees should identify and manage
- The need for robust, tailored arrangements to manage conflicts
- Practical steps for effective conflict management, and
- A non-exhaustive 'catalogue' of related legal obligations and information.

'Conflicts of interest aren't just ethical dilemmas,' said commissioner O'Rourke.

'They pose real threats that erode trust, tarnish reputations, and cause lasting harm to consumers, investors, and the entire financial ecosystem.

'Effective conflict management is more than a regulatory checkbox — it's the cornerstone of trust in financial services.'

CONTINUOUS-DISCLOSURE BREACH ADMITTED

By Mark Sabanos, Partner, Hall Chadwick (NSW)

ASIC has released report 827 Insights from the ASIC Whistleblower Questionnaire: July 2024 to June 2025. It reveals poor practices and policies.

Space, communications, and defence-systems manufacturer Electro Optic Systems Holdings Ltd has admitted breaching its continuous-disclosure obligations by failing to tell the ASX about a materially significant decline worth tens of millions of dollars in its 2022 annual revenue forecasts.

ASIC and EOS will ask the Federal Court to impose a $4 million penalty. The penalty is subject to court approval.

ASIC has separately begun proceedings against the former CEO and director of EOS, Ben Greene, for allegedly breaching his director's duties.

Upcoming periodic deadlines

Listed entities are reminded of upcoming deadlines for periodic reports:

- Preliminary final reports (December year-end) – Friday 27 February
- Statutory half-year financial reports (except mining, exploration, and oil-and-gas exploration entities) (June year-end) – Friday 27 February
- Statutory half-year financial reports for mining, exploration, and oil-and-gas exploration entities (June year-end) – Monday 16 March
- Statutory audited annual accounts (December year-end) – Tuesday 31 March
- Annual reports (December year-end) – Thursday 30 April for listed companies and Tuesday 31 March for listed registered schemes
- December quarterly reports for mining exploration, oil-and-gas exploration, and commitments-test entities – Friday 30 January, and
- An investment entity must notify the net-tangible-asset backing of quoted securities within 14 days of the end of each month.

Listed entities are also reminded that a failure to lodge relevant documents on time (that is, by close of the Market Announcements Office on the due date) will result in an automatic suspension of the entity's securities under Listing Rule 17.5.

Appendix *ASIC's enduring focus areas for financial reporting*

Area	Consideration
Revenue	Directors, RSE trustees and auditors should review an entity's revenue recognition policies to ensure that: • Revenue and deferred revenue are recognised in accordance with the substance of the underlying transactions and the satisfaction of performance obligations • Judgements and assumptions used in revenue models are appropriate and reasonable, and • Disclosure of revenue policies is not boilerplate and is appropriate for each material revenue stream.
Impairment of non-financial assets	Goodwill, indefinite useful life intangible assets, and intangible assets not yet available for use must be tested annually for impairment. Entities adversely impacted in the current environment may have new or continuing indicators of impairment that require testing for other non-financial assets. The appropriateness of key assumptions supporting the recoverable amount of non-financial assets. The valuation method used for impairment testing should be appropriate, use reasonable and supportable assumptions, and be cross-checked for reliability using other relevant methods. An entity's market capitalisation will generally not represent an appropriate fair-value estimate for its underlying business but may be useful as an impairment indicator or in a valuation cross-check. Share prices may reflect transactions of relatively small proportionate interests as part of an investor's strategy for a share portfolio. Businesses may be sold in illiquid markets with few potential participants. A business acquirer may seek synergistic benefits or make significant changes to a business. Values from applying the ratio of market capitalisation to revenue for other entities to the entity's own revenue will generally be more appropriately used in valuation cross-checks. Information may be dated and the limitations in using an entity's own market capitalisation may apply. Other entities must have closely comparable businesses, products, markets, cost structures, funding, and so on. Disclosure of estimation uncertainties, changing key assumptions, and sensitivity analysis or information on probability-weighted scenarios.
Values of property	Factors that could adversely affect commercial and retail property values should be considered, such as changes in office-space requirements of tenants, on-line shopping trends, future economic or industry impacts on tenants, and the financial condition of tenants. The lease-accounting requirements and the impairment of lessee right-of-use assets.
Expected credit losses on loans and receivables	Whether key assumptions used in determining expected credit losses are reasonable and supportable. Any need for more reliable and up-to-date information about the circumstances of borrowers and debtors. Short-term liquidity issues, financial condition and earning capacity of borrowers and debtors. Ensuring the accuracy of ageing of receivables. Using forward-looking assumptions and not assuming recent debts will all be collectible. The extent to which history of credit losses remains relevant in assessing ECLs. Whether possible future losses have been adequately factored in, using probability-weighted scenarios, as necessary. Disclosure of estimation uncertainties and key assumptions. ECLs should be a focus for companies in the financial sector. Financial institutions should have regard to the impact of current economic and market conditions and uncertainties on ECLs. This includes assessing whether there are significant increases in credit risk for particular groups of lenders, the adequacy of data, modelling, controls, and governance in determining ECLs, and disclosing uncertainties and assumptions.
Financial-asset classification	Financial assets are appropriately measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss. Criteria for using amortised cost include whether both: • Assets are held in a business model whose objective is to hold the assets to collect contractual cash flows, and • Contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal outstanding.
Value of other assets	The net realisable value of inventories, including whether all estimated costs of completion and necessary to make the sale have been considered in determining net realisable value. Whether it is probable that deferred tax assets will be realised. The value of investments in unlisted entities.
Provisions	The need for and adequacy of provisions for matters such as onerous contracts, leased property make-good, mine-site restoration, financial guarantees given and restructuring.
Subsequent events	Events should be reviewed as to whether they affect assets, liabilities, income, or expenses at year-end or relate to new conditions requiring disclosure.
Disclosure – general considerations	Directors and preparers should put themselves in the shoes of investors and consider what information investors would want to know. Disclosures should be specific to the circumstances of the entity and its businesses, assets, financial position, and performance. Changes from the previous period should be considered and disclosed.
Disclosures in the financial report	Uncertainties may lead to a wider range of valid judgements on asset values and estimates. The financial report should disclose uncertainties, changing key assumptions and sensitivities. This will assist investors in understanding the approach taken, understanding potential future impacts and making comparisons among entities. Entities should also explain where uncertainties have changed since the previous full-year and half-year financial reports. The appropriate classification of assets and liabilities between current and non-current categories on the statement of financial position should be considered. This may have regard to matters such as maturity dates, payment terms, and compliance with debt covenants.

Area	Consideration
OFR disclosures	These should complement the financial report and tell the story of how the entity's businesses, results, and prospects are affected by economic and market conditions, and changing circumstances. The overall picture should be clear, understandable, and be supported by information that will enable investors to understand the significant factors affecting the entity, its businesses, and the value of its assets. The OFR should explain the underlying drivers of the results and financial position, as well as risks, management strategies, and prospects. All significant factors should be included and given appropriate prominence. The most significant business risks at whole-of-entity level that could affect the achievement of the disclosed financial performance or outcomes should be provided, including a discussion of environmental, social, and governance risks. The risks will vary depending upon the nature and businesses of the entity and its strategies. An exhaustive list of generic risks that might potentially affect a large number of entities would not be helpful. Risks should be described in context – for example, why the risk is important or significant and its potential impact and, where relevant, mitigation factors within the control of management. Climate-change risk could have a material impact on the prospects of entities and needs to be disclosed. Cyber-security risks could have a material impact for many entities and require disclosure.
Non-IFRS financial information	Any non-IFRS profit measures (i.e. measures not in accordance with all relevant accounting standards) in the OFR or market announcements should not be presented in a potentially misleading manner (see regulatory guide 230 Disclosing non-IFRS financial information).
Disclosure in half-year reports	Disclosure will also be important for half-year financial reports and directors' reports. Half-year reports should disclose information on significant developments and changes in circumstances since the last full-year report.

HALL CHADWICK

Find out how we can help, contact your local office:

DREW TOWNSEND
Partner
+61 2 9263 2600
dtownsend@hallchadwick.com.au

STEWART THOMPSON
Partner
+61 2 9263 2600
sthompson@hallchadwick.com.au

CLIVE MASSINGHAM
Partner
+61 7 3212 2500
clive.massingham@hallchadwickqld.com.au

ANTHONY TRAVERS
Partner
+61 2 9263 2600
atravers@hallchadwick.com.au

NIKKI SHEN
Partner
+61 8 9426 0666
nshen@hallchadwickwa.com.au

VINAY SHEORAN
Partner
+612 9263 2600
vsheoran@hallchadwick.com.au

DOUG BELL
Partner
+61 8 9426 0666
dbell@hallchadwickwa.com.au

STEVEN NGUYEN
Partner
+61 3 9820 6400
snguyen@hallchadwickmelb.com.au

MARTIN SABANOS
Partner
+61 2 9263 2600
msabanos@hallchadwick.com.au

CHRIS NICOLOFF
Partner
+61 8 9426 0666
cnicoloff@hallchadwickwa.com.au

MARK TAYLOR
Partner
+61 7 3212 2500
mark.taylor@hallchadwickqld.com.au

MARK DELAURENTIS
Partner
+61 8 9426 0666
mdelaurentis@hallchadwickwa.com.au

MICHAEL HILLGROVE
Partner
+61 8 9426 0666
mhillgrove@hallchadwickwa.com.au

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