ASIC focus areas: 30 June 2025

Reporting update
23 May 2025, 25RU-04

Highlights

- Focus areas for 30 June 2025
- Financial reports and audit surveillance program
- Topical reminders
- High quality and informative disclosures are crucial

Focus areas for 30 June 2025

Focus areas remain consistent with previous periods

ASIC has highlighted its focus areas for 30 June 2025 financial reports as part of its integrated financial reporting and audit surveillance program for FY 2025-26. The integrated program covers both financial reporting and audit quality and for the first time ASIC provided some early signalling in respect of sustainability.

ASIC continues to split the areas of focus into two separate components:

- **Enduring focus areas:** apply to all reporting periods; and
- **Particular focus areas**: relevant for the reporting period and supplement the enduring focus areas.

Continued focus on areas of significant judgement including consideration of capital market volatility

Focus areas are consistent with those from prior periods. There are no new enduring or particular focus areas for 30 June 2025.

As expected the enduring focus areas continue be focused on areas of significant judgement. ASIC highlighted that extra care should be taken when making judgments considering recent capital market volatility.

The **enduring focus** areas include:

- Asset values
- Provisions
- Subsequent events
- Disclosures in the financial report and OFR

ASIC also highlights areas where there have been previous recurring findings, for example revenue recognition. Revenue recognition is typically an area where significant judgement is required especially where complex contractual arrangements exist. Disclosure of those judgements, accounting policies and appropriateness of those policies is an ongoing focus for ASIC. Entities should ensure revenue recognition accounting policies and significant judgements relating to those accounting policies are clearly disclosed, for example whether an entity is an agent or principal.

Further details are outlined in the Addendum – ASIC focus areas: Guide for directors and preparers. All preparers should ensure all relevant aspects are addressed.

Focus areas are identified from the results of ASIC's integrated financial reporting and audit surveillance program. The program focusses on financial reports of listed entities and other economically significant public interest entities such as large proprietary companies, grandfathered entities and registered superannuation funds.

Financial reports and audit surveillance program

Pro-active program of surveillance central to improving financial reporting and audit quality

ASIC reviews the full-year financial reports of the entities identified above following a risk-based approach taking into account a range of market data, reported financial information, relevant ASX announcements and other ASIC intelligence.

The findings from ASIC's financial reporting surveillances largely determine the selection of related audit files for review by ASIC. ASIC will review an increased number of audit files for 2025-2026 as part of the integrated program.

2023-24 program results

The next annual financial reporting and audit surveillance report is expected to be released in October 2025. An overview of the areas in which issues were raised in 2024 is included in Appendix – 2024 surveillance summary.

Topical reminders

In addition to areas of focus for 30 June 2025, ASIC has provided the following topical updates and reminders:

- **Previously 'grandfathered' large proprietary companies**

Previously 'grandfathered' large proprietary companies continue to be monitored

There is an ongoing focus on large proprietary companies that prior to 2022 were exempt from lodging audited financial reports. ASIC highlighted that there are still a number of companies not complying with their broader financial reporting obligations. ASIC continues to include this cohort in its surveillance program. These companies should ensure their financial statements comply with Australian Accounting Standards and that they are complying more broadly with their reporting obligations under the Corporations Act. Auditors have been reminded to report non-compliance in lodging financial reports through the appropriate channels.

- **Registrable superannuation entities**

Registrable superannuation entities continue to be reviewed

Since financial years ending on or after 30 June 2024, superannuation trustees are required to lodge audited financial reports for most registrable superannuation entities (RSEs) with ASIC.

ASIC is finalising its review of approximately half of all lodged RSE financial reports including five RSE audit files. The remainder will be reviewed during the 2025-2026 program.

ASIC has identified the following focus areas:

- Measurement and disclosure of investment portfolios; and
- Disclosure of marketing and advertising expenses.

- **Climate-related financial disclosures**

Sustainability reporting in accordance with AASB S2 *Climate-related disclosures* is mandatory for Group 1 entities with financial years commencing on or after 1 January 2025. Impacted entities should begin work as soon as possible if they have not already implemented plans and procedures to meet the mandatory reporting requirements.

ASIC will review 31 December 2025 sustainability reports as part of the 2025-26 surveillance program

ASIC will review 31 December 2025 sustainability reports as part of the 2025-26 surveillance program. ASIC has emphasised a proportionate and pragmatic approach to supervision and enforcement as the sustainability requirements are being phased in.

To assist preparers and stakeholders, ASIC:

- Published Regulatory Guide 280 *Sustainability Reporting* (RG280). Refer to ASIC Regulatory Guide 280 Sustainability reporting (25RU-03).
- Included resources in a sustainability reporting section on its website. Refer to ASIC Sustainability Reporting website (24RU-14).

ASIC considers that those entities reporting under the Taskforce for Climate-related Disclosures (TCFD) will be well placed to report under the new mandatory sustainability reporting regime. This is particularly the case as AASB S2 is founded on the four pillars of the TCFD framework. While entities may continue to use the voluntary TCFD framework for 30 June 2025 reporting, it may also be useful for them to begin engaging with AASB S2 while preparing any voluntary sustainability report to test and/or assess capabilities, data availability and requirements against the new standard.

- **Consolidated Entity Disclosure Statement**

Minor clarifications to the Consolidated Entity Disclosure Statement (CEDS) were enacted in December 2024 that are applicable for financial years ending 30 June 2025 onwards. Refer to Consolidated Entity Disclosure Statement (CEDS) (25RU-02). ASIC has updated Information Sheet 284 *Public companies to include a consolidated entity disclosure statement in their annual financial report* to reflect the recent legislative amendments.

High quality and informative disclosures are crucial

ASIC has consistently raised the importance of high-quality and informative disclosures. ASIC has stated that:

Financial statements should be accurate, complete and informative

- Financial statements should be accurate, complete and informative
- The circumstances in which judgements on accounting estimates and forward-looking information have been made, and the basis for those judgements, should be properly documented and disclosed as appropriate.

ASIC has reiterated that high-quality financial reports are essential for market integrity and investor confidence.

OFR tells story of how entity's businesses are performing

The Operating and Financial Review (OFR) should complement the financial report and tell the story of how the entity's businesses are performing. Forward-looking information should have a reasonable basis and the market should be updated through continuous disclosure if circumstances change. The OFR should clearly explain:

- The underlying drivers of the results and financial position
- Material business risks
- Management strategies
- Future prospects.

Directors have prime responsibility for quality of the financial report

ASIC reiterated that Directors are primarily responsible for the quality of the financial report. Quality and timely financial information for audit is expected, including robust position papers with appropriate analysis and conclusions referencing relevant accounting standards. Companies must have appropriate processes, records and analysis to support disclosures in the financial report.

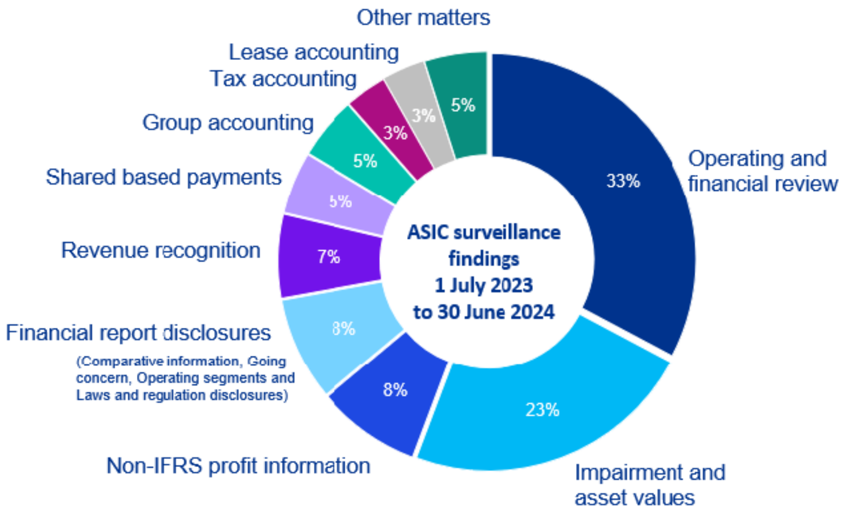
Access to appropriate experience and expertise in the reporting processes, particularly in more difficult and complex areas, such as asset values, provisions, and other estimates, continues to be important.

"ASIC continues to focus on the quality of disclosures in financial reports. The integrated surveillance program identified findings of insufficient disclosures, in particular surrounding areas of judgement and the use of estimates. As expected, these continue to be the focus of ASIC. Considering recent market volatility, the appropriate use and disclosure of significant judgement is crucial. High-quality disclosures are essential to keep investors informed and maintain market integrity."

Julie Locke
Director

Appendix – 2024 surveillance summary

Overview of the areas in which issues were raised from ASIC's surveillance program reported in October 2024.



ASIC focus areas

Guide for directors and preparers

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May 2025

ASIC focus areas

Enduring areas of focus

01 Asset values | Impairment of non-financial assets

ASIC guidance

Directors must test goodwill, intangible assets not yet available for use and indefinite life intangible assets for impairment annually. It is important for directors to ensure:

- Key assumptions supporting the recoverable amount are appropriate.
- The valuation method used for impairment testing is appropriate, uses reasonable and supportable assumptions, and is 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. Directors should be mindful that:

- 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.

Relevant KPMG guidance

Uncertain times reporting guidance

Are assets being carried at an appropriate amount?

Climate change resource guidance

The impact of climate-related matters on impairment testing of non-current assets

Other guidance

Example Public 2024-25 – Notes 21, 22 & 44(L),(M),(S)

Annual Disclosure Checklist (September 2024) – Section 2.8

Insights into IFRS – Chapters:

- 3.3 Intangible assets and goodwill
- 3.10 Impairment of non-financial assets
- 5.11 Extractive activities

Questions to consider

- Have we identified our CGUs appropriately? Are any CGUs greater than an operating segment where material goodwill exists?
- Does the allocation of goodwill to CGUs reflect the level at which goodwill is monitored for internal purposes?
- Have all corporate costs been allocated to CGUs on an appropriate basis?
- Have corporate assets been allocated to CGUs where the allocation can be done on a reasonable and consistent basis?
- If in the previous year recoverable amount was determined using a value in use (VIU) model, but is now being determined using a fair value less costs of disposal (FVLCD) technique, have we fully understood and documented the rationale for the change?
- If recoverable amount is determined using VIU, have we ensured the cash flows do not include those from strategic initiatives that improve or enhance the asset's performance?
- If recoverable amount is determined using FVLCD, are there quoted prices or other observable market information that can be used to determine FVLCD? If there is no observable market information to determine FVLCD, and a discounted cash flow or earnings multiple technique is used, are the inputs reliable?
- Are the assumptions used in the calculation of recoverable amounts realistic? If there have been significant variances between prior period cash flow projections and actual results, have the cash flows or the alpha factor in the discount rate been adjusted to reflect this risk?
- Have we considered the impact of rising interest and discount rates on estimating future cash flows and asset valuations?
- Have we considered whether technological advancement, government climate policies, legislative and regulatory changes might be impairment triggers?

01 Asset values I Impairment of non-financial assets

ASIC guidance (Continued)

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. Directors should be mindful that:

- Information may be dated.
- Limitations in using an entity's own market capitalisation may apply.
- The other entities must have closely comparable businesses, products, markets, cost structures, funding.

Directors should consider the disclosure of estimation uncertainties, changing key assumptions, and sensitivity analysis or information on probability-weighted scenarios.

Questions to consider (Continued)

- Have we updated budgets and cash flow forecasts to reflect the continuing impacts of changing market conditions and uncertainties, including local and global issues?
- Have we appropriately considered whether our cash flow projections used in impairment testing reflect the potential impacts of climate-related matters on our business?
- Are key assumptions in impairment testing aligned with the climate strategy, scenarios, and other climate information in the annual report? If not, are differences explained?
- Do cash flow projections appropriately reflect potential climate impacts on future cash flows from factors like customer demands, regulations, technology, and physical risks?
- Have any climate-related risks been double counted?
- Have we considered and reflected any increased volatility and uncertainty in the impairment model?
- Have we considered the need to use a probability-weighted cash flow approach to determining recoverable amounts?
- Have we checked the mathematical accuracy of the model?
- Have we considered the need to update impairment models for events which occur post reporting date?
- Where market capitalisation is less than our net asset position, have we fully documented the methodology used to determine recoverable amount, including how we have satisfied ourselves of the reliability of the assumptions used, including our understanding of the drivers of the difference?
- Have we considered whether other readily available information exists that can be used to calculate recoverable amount using an alternate valuation method or technique which can serve as a point of comparison to the values derived in the primary valuation method selected?
- Have we only used our market capitalisation as an impairment indicator or in a valuation cross-check?
- Have we considered the appropriateness of using a ratio of market capitalisation to revenue for other entities? Are there limitations in using this? Do those other entities have closely comparable businesses, products, markets, cost structures and funding?
- If we have a CGU which includes goodwill or intangible assets with an indefinite useful life and a reasonably possible change in the key assumptions would result in an impairment, have we fully disclosed the amount by which the assumptions must change to result in an impairment?
- Have sufficient disclosures been provided on key judgments, assumptions and estimates related to how climate-related matters impacted impairment testing calculations?
- Have we disclosed any estimation uncertainties, changing key assumptions, and sensitivity analysis or information on probability-weighted scenarios?
- Have we disclosed the assumptions that have a significant risk of resulting in a material impairment adjustment in the next 12 months?
- Have we considered our continuous disclosure obligations if an impairment is likely (See also ASX Listing Rules –Guidance Note 8 *Continuous Disclosure*)?

01 Asset values | Values of property assets

ASIC guidance

Directors should ensure there is proper consideration of factors adversely affecting the fair values of commercial and retail property values, despite any absence of market transactions. These factors may include:

- Changes in office space requirements of tenants.
- Online shopping trends.
- Future economic or industry impacts on tenants.
- The financial condition of existing tenants.

In applying the leases standard, lessees and lessors should consider lease accounting requirements; and lessees the impairment of right-of-use assets.

Relevant KPMG guidance

Uncertain times reporting guidance

Have expectations around lease renewal, termination or purchase options changed?

Are fair values appropriately determined and disclosed?

Other guidance

Example Public 2024-25 – Notes 23C & 37

Annual Disclosure Checklist (September 2024) – Section 1.5 and 2.3

Insights into IFRS – Chapters:

- 2.4 Fair value measurement
- 5.1 Leases

Questions to consider

- Have we considered the factors that may adversely affect the fair values of commercial and retail properties such as expected changes in office work practices, and changes in consumer preferences?
- Where there are no market transactions, have we considered the need for changes in valuation techniques?
- Have we updated valuation assumptions and inputs for continuing changes in the market conditions?
- Have we made all the required disclosures under AASB 13 *Fair Value Measurement* in our year-end financial report?

01 Asset values I Expected credit losses on loans and receivables

ASIC guidance

Directors should:

- Consider whether key assumptions used in determining expected credit losses are reasonable and supportable.
- Consider the need for more reliable and up-to-date information about the circumstances of borrowers and debtors.
- Consider short-term liquidity issues, as well as the financial condition and earning capacity of borrowers and debtors.
- Ensure the accuracy of ageing of receivables.
- Consider using forward looking assumptions and not assuming recent debts will all be collectible.
- Consider the extent to which past history of credit loss remains relevant in assessing expected credit losses (ECLs).
- Consider whether future losses are adequately factored in, using probability weighted scenarios as necessary.
- Ensure disclosure of estimation uncertainties and key assumptions used in determining ECLs.

ECLs should be a focus for companies in the financial sector.

Financial institutions in particular should consider market conditions and uncertainties on ECLs. Directors should assess whether there are significant increases in credit risk for particular groups of lenders and consider adequacy of data, modelling, controls and governance in determining ECLs and disclosing uncertainties and assumptions.

Relevant KPMG guidance

Uncertain times reporting guidance

What are the key financial instruments impacts?

Climate change resource guidance

What's the impact on expected credit losses?

Other guidance

Example Public 2024-25 – Note 32C

Annual Disclosure Checklist (September 2024) – Section 2.5

Insights into IFRS – Chapters:

- 7.7 Measurement of financial Instruments
- 7.8 Impairment of financial instruments
- 7.10 Presentation and disclosures

Questions to consider

- Have we reviewed the appropriateness of key assumptions and judgements in estimating expected credit losses (ECLs), and ensured that they are reasonable and supportable?
- Have we reviewed the models to ensure inputs used to develop the estimate appropriately reflect any changes in the circumstances since the prior period? Are our assumptions appropriate in determining whether or not there has been a significant increase in credit risk?
- Have we considered the impact of short-term liquidity issues and financial condition and earning capacity of borrowers and debtors in the measurement of loans and receivables? Do we need to seek more reliable and up-to-date information about their circumstances?
- Have we evaluated whether historical data on credit losses remains relevant given evolving climate risks, adjusting as needed?
- Do we have adequate data, models, controls and governance to determine climate-adjusted ECLs across our loan portfolios?
- Have we considered the need to update ECLs for events which occur post reporting date?
- Have we disclosed estimates and judgements that form the basis of the measurement of ECLs?
- Have we considered the impact of geopolitical risks including increased market volatility on receivables' collectability? In light of changing market and customers activity, is historical data still appropriate, or are additional adjustments required by companies?
- Does our measurement of ECL appropriately capture the customer types, industries or geographic areas particularly impacted by the economic effects of climate change that need monitoring for potential acceleration of climate-related risks?
- Have we assessed potential increases in credit risk for certain borrower groups/industries based on climate-related transition and physical risks?
- Have we considered if there are significant increases in credit risk for particular groups of lenders ?

01 Asset values | Values of other assets

ASIC guidance

Directors should consider the values of the following other assets:

- Net realisable value of inventories, including whether all estimated costs of completion necessary to make the sale have been taken into account in determining net realisable value.
- Recoverability of deferred tax assets.
- Value of investments in unlisted entities.

Relevant KPMG guidance

Uncertain times reporting guidance

What are the key financial instruments impacts?

Climate change reporting guidance

What are the potential impacts on inventories?

Other guidance

Example Public 2024-25 – Notes 17 & 14

Annual Disclosure Checklist (September 2024) – Section 1.5 and 2.11

Insights into IFRS – Chapters

- 3.8 Inventories
- 3.13 Income Taxes

Questions to consider

- Have we considered whether all costs of completion necessary to make the sale have been included in determining net realisable value of inventories?
- Have we considered the impact on the net realisable value of any obsolete or excess inventory?
- Have we considered whether significant write-downs of inventory should be disclosed?
- Have we properly evaluated which costs incurred for developing new products or updating production processes in response to climate changes can be legitimately included in the cost of inventories?
- Does our calculation of net realisable value (NRV) for inventories appropriately consider the impacts of climate-related matters on estimated selling prices and costs to complete?
- Do we have a process to stay informed about current and upcoming climate-related legislation that may affect the goods we sell or services we deliver?
- Have we reassessed the recoverability of deferred tax assets given changing economic conditions?
- Are the forecasts used to assess the recoverability of deferred tax assets in-line with forecasts used to determine the recoverable amount of intangible assets and other non-current assets?
- Where there are no market transactions, have we considered the need for changes in valuation techniques for investments in unlisted entities?
- Have we updated valuation assumptions and inputs for continuing changes in the market conditions for investments in unlisted entities?
- Have we made all the required disclosures under AASB 13 *Fair Value Measurement* for investments in unlisted entities?

01 Asset values | Financial asset classification

ASIC guidance

Directors should consider if financial assets are appropriately measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss.

Directors should consider whether both criteria for measuring financial assets at amortised cost are met:

- Assets are held in a business model whose objective is to hold the assets to collect contractual cash flows.
- Contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Relevant KPMG guidance

Classification of financial assets

Example Public 2024-25 – Notes 44(P) & 44(S)(i)

Annual Disclosure Checklist (September 2024) – Section 2.5

Insights into IFRS – Chapter 7.4 Classification of financial assets

Questions to consider

- Have we considered whether financial assets are appropriately measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss?
- Have we considered if the business model is held-to-collect, both held to collect and for sale or another business model including trading, managing assets on a fair value basis and maximising cash flows through sale?
- Are sales integral to achieving the objective of the business model or incidental to the objective of the model?
- Have we considered the level of sales (in frequency and volume)?
- Have we considered whether the cash flows from the financial asset represent, on specified dates, solely payments of principal and interest on the principal amount outstanding?
- Have we assessed hybrid financial instruments as a whole for classification?

02 Provisions I Onerous contracts, restructuring, make good provision, mine restoration and financial guarantees

ASIC guidance

Directors should consider need for recognition of provisions for onerous contracts, leased property make good, mine site restoration, restructuring plans and financial guarantees provided.

Relevant KPMG guidance

Uncertain times reporting guidance

Are all liabilities fully recorded and properly presented?

Climate change resource guidance

Have you recorded all of your environmental and decommissioning obligations?

What's the impact on restructuring provisions?

Net-zero commitments: When to recognise a liability and how to tell a connected story

Other guidance

Example Public 2024-25 – Note 31

Annual Disclosure Checklist (September 2024) – Section 2.10

Insights into IFRS – Chapter 3.12 Provisions, contingent assets and liabilities

Questions to consider

- Have we assessed the impact of rising interest rates on estimating future cash flows and on discount rates in valuing current provisions?
- Have we considered if any contracts, in particular revenue contracts, have become onerous?
- Have we considered recognising a provision for restructuring where there is a formal restructuring plan in place at the balance date which has raised a valid expectation on those affected that the entity will carry out the plan?
- Have we identified any changes in legislation that may result in new obligations or changes to existing environmental/decommissioning obligations for the company?
- Do we need to adjust the expected timing and amount of estimated future remediation costs for environmental/decommissioning provisions?
- Have financial guarantees issued been recognised appropriately and have we reassessed the measurement of the liability?
- Have we assessed contractual obligations to perform make good in any lease contracts?
- Have we considered all factors in estimating restoration provisions and have we reassessed the liability in a timely manner?
- Have we reviewed recent company announcements and assessed whether any statements created a constructive obligation that needs to be provided for?
- Are we monitoring government actions and regulatory changes related to climate matters that could trigger a need for restructuring plans?
- Have we reviewed our net-zero plan, assessed financial reporting impacts, explained which actions trigger liabilities, and monitored related accounting guidance?

03 Subsequent events

ASIC guidance

It is important that directors and management evaluate all events that occur after their reporting date and before authorising the financial report for issue and assess:

- Which of those events provide additional evidence of conditions that existed at the reporting date and for which financial statements need to be adjusted?
- Which of those events relate to conditions that arose after the reporting date, and if material, require disclosure only?

Relevant KPMG guidance

Uncertain times reporting guidance

How should companies assess external events after the reporting date?

Other guidance

Example Public 2024-25 – Note 41

Annual Disclosure Checklist (September 2024) – Section 1.10

Insights into IFRS – Chapter 2.9 Events after the reporting date

Questions to consider

- Have we considered all events that occur after the reporting date and before authorising the financial report? Have we assessed if those events are adjusting or non-adjusting subsequent events?
- Have we adjusted our accounting estimates and judgements for all adjusting subsequent events such as where events affect the assessments relating to impairment of financial and non-financial assets (for example, payments received or missed after year-end may provide more information on the recoverability of receivables)?
- Have we disclosed the nature and estimate of financial effect of all material non-adjusting subsequent events such as sale of a significant business after the reporting date?

04 Disclosures | Disclosures in the OFR

ASIC guidance

Directors should ensure the Operating and Financial Review (OFR):

- complements the financial report and tells the story of how the entity's businesses are impacted by uncertainties and changing economic circumstances
- Provides an overall picture which is clear, understandable, and is supported by information that will enable investors to understand the significant factors affecting the entity, its businesses and the value of its assets
- Explains the underlying drivers of the results and financial position, as well as risks, management strategies and future prospects.
- Includes all significant factors and they should be given appropriate prominence

Directors should consider disclosing the most significant business risks at whole-of-entity level that could impact the financial outcomes, including a discussion of environmental, social and governance risks.

Relevant KPMG guidance

[Example Public 2024-25 – Operating and financial review]

[Have you disclosed climate-related impacts clearly?]

Questions to consider

- Have we explained the underlying drivers of results and financial position, the risks, management strategies to address the risks and future prospects in the OFR?
- Have we identified and given appropriate prominence to all significant factors affecting the entity?
- Have we considered the climate change risk impact on governance, business model, strategy, risk management, performance and prospects?
- Does the OFR complement the information disclosed in the financial report?
- Is the information in the OFR consistent with the key judgements, estimates and assessments made in the financial statements?
- Have we identified the entity's specific business risks and outlined why the risk is significant and assessed its potential impact?
- Have we considered cyber security risk and its potential impact?

04 Disclosures I Disclosures in the OFR

ASIC guidance (Continued)

The risks will vary depending upon the nature and businesses of the entity and its business 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, factors within the control of management.

Directors should also consider whether climate risk could have a material impact on the future prospects of entities and are disclosed.

Directors should consider whether cyber security risks have a material impact and require disclosure. Considerations include the impacts of a loss of personal data or a denial-of-service attack, such as the extent and nature of personal data held and possible impacts on revenue.

04 Disclosures I Disclosures in the financial report

ASIC guidance

Directors should consider what information is useful for investors.

Disclosures should be specific to the entity, its business, assets, financial position and performance. Any changes from previous periods should be considered and disclosed.

To allow investors to understand the approach taken in respect of uncertainties, to understand the potential future impacts and to allow comparison between entities the financial report should disclose:

- Uncertainties
- Changing key assumptions
- Sensitivities

Directors should also consider the appropriate classification of assets and liabilities between current and non-current categories on the statement of financial position considering maturity dates, payment terms and compliance with debt covenants.

Half-year reports should disclose information on significant developments and changes in circumstances since the last full year financial report.

Relevant KPMG guidance

Uncertain times reporting guidance

Impact of external events on the going concern assessment and disclosures

Other guidance

Example Public 2024-25 – Note 4

Annual Disclosure Checklist (September 2024) – Section 1.4 and 1.9

Illustrative disclosures - Guide to condensed interim financial statements

Questions to consider

- Have we explained areas where there is estimation uncertainty and the impact of that uncertainty?
- Have we ensured that the disclosures made are specific to the assets, liabilities, income and expenses of the entity?
- Have we disclosed the assumptions that have a significant risk of resulting in a material change in the carrying amount of assets and liabilities in the next 12 months?
- Have we identified specifically the carrying amount that would be impacted by a change in assumptions and the nature of the assets?
- Have we considered the completeness of disclosures made in relation to estimates?
- Have we explained accounting policy choices that involved significant judgement?
- Have we considered the interrelationships between disclosures of estimates and significant judgements and what is included in key audit matters in the audit report?
- Have we considered the impacts of sensitivity analysis on our calculations and need for disclosure?
- Have we reviewed the classification of assets and liabilities on the statement of financial position to ensure they are appropriately classified as current and non-current?
- Have we disclosed information on significant developments and changes in circumstances since the previous annual report in our half-year report?

04 Disclosures I Non-IFRS financial information

ASIC guidance

Directors should ensure any non-IFRS profit measures in the OFR or market announcements are not presented in a potentially misleading manner. Directors should refer to RG 230 *Disclosing non-IFRS financial information.*

Questions to consider

- Are non-IFRS measures appropriately reconciled to IFRS measures and not presented in a potentially misleading manner?
- Have we ensured that non-IFRS measures are not disclosed in the financial statements, except in segment reporting or earnings per share notes?
- Have we ensured that a reversal of asset impairment loss is excluded from non-IFRS measure where the impairment loss was excluded from that measure in a prior period?

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