

# AASB 1039 CONCISE FINANCIAL REPORTS

## FACT SHEET

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This fact sheet is based on existing requirements as at 31 December 2015 and it does not take into account recent standards and interpretations that have been issued but are not yet effective.

### **IMPORTANT NOTE**

**This Standard is an Australian specific standard with no international equivalent. The application date included below is the effective date of the initial version of the Standard.**

## AASB APPLICATION DATE

AASB 1039 is applicable for annual reporting periods commencing on or after 1 January 2009.

## PURPOSE OF AASB 1039

The purpose of this Standard is to specify the minimum content of a concise financial report.

This Standard applies to a concise financial report prepared by an entity in accordance with paragraph 314(2)(a) in Part 2M.3 of *Corporations Act 2001*.

Where an entity is the parent of a group, this Standard applies to the consolidated financial statements of the entity and the notes to those statements, and does not require that parent financial information be provided. If the entity provides parent financial information in addition to consolidated financial information, the parent financial information is also subject to the requirements of this Standard.

The requirements of the Corporations Act relating to concise financial reports are based on the view that a concise financial report can provide members with information relevant to evaluating the business, without giving them fully detailed accounting disclosures. For some members, the provision of less detailed information is expected to be sufficient to meet their needs for an understanding of the financial performance, financial position and financing and investing activities of the company, registered scheme or disclosing entity.

The minimum content required by this Standard is intended also to provide sufficient information to permit members to identify if and when they consider it would be useful to obtain more comprehensive and detailed information by requesting a copy of the financial report.

## PREPARATION AND PRESENTATION

The financial statements and specific disclosures required in a concise financial report shall be derived from the financial report of the entity. Any other information included in a concise financial report shall be consistent with the financial report of the entity.

The nature and estimated magnitude of particular items are disclosed if it is likely that the concise financial report would be misleading without such disclosures.

## FINANCIAL STATEMENTS

A concise financial report shall include the following financial statements:

- a. a statement of profit or loss and other comprehensive income for the annual reporting period;
- b. a statement of financial position as at the end of the annual reporting period;
- c. a statement of cash flows for the annual reporting period; and
- d. a statement of changes in equity for the annual reporting period.

Each financial statement shall be presented as it is in the financial report, in accordance with other Accounting Standards, except for the omission of cross-references to notes to the financial statements in the financial report.

The financial statements of entities other than listed companies shall be accompanied by discussion and analysis to assist the understanding of members.

## RELATIONSHIP TO FINANCIAL REPORT

The first page of the concise financial report shall prominently display advice to the effect that:

- a. the concise financial report is an extract from the financial report;
- b. the financial statements and specific disclosures included in the concise financial report have been derived from the financial report;
- c. the concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the financial report; and
- d. further financial information can be obtained from the financial report and that the financial report is available, free of charge, on request to the entity.

## COMPARATIVE INFORMATION

Any requirements relating to comparative information in other Accounting Standards that have been adopted in the preparation of the financial report are applicable in this Standard.

## SPECIFIC DISCLOSURES

Refer Appendix 1 for a checklist to assist with AASB 1039 disclosure requirements.

## DEFINITIONS

In this Standard, technical terms have the same meaning as in the relevant Accounting Standards applied in the preparation of the financial report for the current reporting period.

The terms 'concise report', 'concise financial report', 'financial report', 'listed company' and 'members' have the meanings as given or used in Chapter 2M of the Corporations Act.

## APPENDIX 1 – DISCLOSURE CHECKLIST

This checklist can be used to review your financial statements. You should complete the “Yes / No / N/A” column about whether the requirement is included. To ensure the completeness of disclosures, provide an explanation for “No” answers.

CODE		YES / NO / N/A	EXPLANATION (If required)
AASB 1039.12	Have the disclosures in the concise financial report been derived from the full financial report?  Are the disclosures in the concise financial report consistent with the full financial report?		
AASB 1039.16	Has the entity ensured that the nature and estimated magnitude of particular items are disclosed if it is likely that the concise financial report would be misleading without such disclosures?		
AASB 1039.18	Does the concise financial report include a: a. statement of profit or loss and other comprehensive income for the annual reporting period; b. statement of financial position as at the end of the annual reporting period; c. statement of cash flows for the annual reporting period; and d. statement of changes in equity for annual reporting period?		
AASB 1039.20	Has the entity ensured that each financial statement is presented as it is in the financial report, in accordance with other Accounting Standards, except for the omission of cross-references to notes to the financial statements in the financial report?		
AASB 1039.24	If the entity is not a listed company, has the entity ensured that its financial statements are accompanied by discussion and analysis to assist the understanding of members?		
AASB 1039.25	A discussion and analysis is not required for a listed company that has provided discussion and analysis in the directors’ report in accordance with 299A of <i>Corporations Act 2001</i> , and this has been included as part of the concise financial report.		

CODE		YES / NO / N/A	EXPLANATION (If required)
AASB 1039.27	<p>Does the content of the discussion and analysis cover, at a minimum:</p> <ul style="list-style-type: none"> <li>a. in relation to the statement of profit or loss and other comprehensive income:               <ul style="list-style-type: none"> <li>i. trends in revenues;</li> <li>ii. the effects of significant economic or other events on the operations of the entity;</li> <li>iii. the main influences on costs of operations; and</li> <li>iv. measures of financial performance such as return on sales, return on assets and return on equity.</li> </ul> </li> <li>b. statement of financial position, including:               <ul style="list-style-type: none"> <li>i. changes in the composition of assets;</li> <li>ii. the relationship between debt and equity; and</li> <li>iii. significant movements in items in the statement of financial position.</li> </ul> </li> <li>c. statement of cash flows, including:               <ul style="list-style-type: none"> <li>i. changes in cash flows from operations;</li> <li>ii. financing of capital expenditure programs; and</li> <li>iii. servicing and repayment of borrowings</li> </ul> </li> <li>d. statement of changes in equity, including:               <ul style="list-style-type: none"> <li>i. changes in the composition of equity components; and</li> <li>ii. causes of major changes in subscribed capital, such as rights issues, share buy-backs or capital reductions.</li> </ul> </li> </ul>		
AASB 1039.28	Where the full financial report is not prepared on a going concern basis, or a going concern basis becomes inappropriate after reporting date, has the entity disclosed this fact?		

CODE		YES / NO / N/A	EXPLANATION (If required)
AASB 1039.29	<p>For each reportable segment identified in the financial report, has the entity disclosed:</p> <ul style="list-style-type: none"> <li>a. revenues from sales to external customers and revenue from transactions with other operating segments of the same entity if the specified amounts are included in the measure of segment profit or loss reviewed by the chief operating decision maker or are otherwise regularly provided to the chief operating decision maker, even if not included in that measure of segment profit or loss;</li> <li>b. a measure of profit or loss;</li> <li>c. a measure of total assets; and</li> <li>d. a measure of total liabilities if such amount is regularly provided to the chief operating decision maker?</li> </ul>		
AASB 1039.30	<p>Has the entity disclosed the following items, even if items are zero:</p> <ul style="list-style-type: none"> <li>a. the amount of sales revenue recognised and included in revenue in accordance with AASB 118 <i>Revenue</i>;</li> <li>b. the amount of dividends, in aggregate and per share, in respect of each class of shares included in equity, identifying: <ul style="list-style-type: none"> <li>i. dividends paid during the period and date of payment; and</li> <li>ii. dividends proposed or declared before the financial report was authorised for issue, and the expected date of payment, separately identifying, where relevant, those recognised from those not recognised as a distribution to equity holders during the period; and</li> </ul> </li> <li>c. where the entity is required to comply with AASB 133 <i>Earnings per Share</i>, the amount of basic earnings per share and diluted earnings per share?</li> </ul>		
AASB 1039.31(a)	Has the entity disclosed its presentation currency?		
AASB 1039.31(b)	<p>For each material non-adjusting event (AASB 110 <i>Events after the Reporting Period</i>), has the entity disclosed:</p> <ul style="list-style-type: none"> <li>a. the nature of the event; and</li> <li>b. an estimate of the financial effect if known or a statement that such an estimate cannot be reliably made?</li> </ul>		

CODE		YES / NO / N/A	EXPLANATION <i>(If required)</i>
AASB 1039.31(c)	Where there is a change in accounting policy or estimates from those used in the preceding reporting period, or a correction of a prior period error, which has a material effect in the current reporting period or is expected to have a material effect in a subsequent reporting period, has the entity disclosed the information required about such a change or correction by the relevant Accounting Standards that are applicable to the current reporting period?		
AASB 1039.32	For the first financial reporting period under Australian Accounting Standards, has the entity disclosed: <ul style="list-style-type: none"> <li>a. the location of reconciliations in the financial reports as prepared in accordance with AASB 1: <i>First-time Adoption of Australian Accounting Standards</i>; and</li> <li>b. a summary of the information presented as required under AASB 1 in the financial report?</li> </ul>		
AASB 1039.33	Has the entity prominently displayed on the front page of the report advice that: <ul style="list-style-type: none"> <li>a. the concise financial report is an extract from the financial report;</li> <li>b. financial statements and disclosures in the concise financial report are derived from the full financial report;</li> <li>c. the concise financial report cannot be expected to provide as full an understanding of financial performance, financial position and financing and investing activities as the full financial report; and</li> <li>d. detailed information can be obtained from the financial report which is available free of charge on request?</li> </ul>		

## OTHER MATTERS

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