

MEDIA RELEASE

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AICD, CA ANZ and CPA Australia release COVID-19 annual reporting guidance

The Australian Institute of Company Directors (AICD), Chartered Accountants Australia and New Zealand (CA ANZ) and CPA Australia have joined together to publish guidance on the disclosure and reporting of COVID-19 impacts on entities.

Launched today, the *Impacts of COVID-19 on annual report disclosures: a guide for directors and preparers*, recognises the unique set of challenges posed when describing the impact of COVID-19 in annual reports for the upcoming reporting season.

From key principles to assessment of going concern, the guide is structured to assist both listed and unlisted entities, including not-for-profits, charities and small to medium entities.

CA ANZ CEO Ainslie van Onselen said, "With investors increasingly looking for additional disclosure and transparency this reporting season, particularly around the impact on operations and financial position now and in the future, we need to ensure financial statements continue to be meaningful, relevant and timely. This guide comes at it from the perspective of disclosure, including what entities need to talk about in their directors' reports, operating and financial reviews, to ensure what they are saying aligns with the financials.

CPA Australia CEO Andrew Hunter said, "We know that entities and auditors will be dealing with difficult issues around solvency, going concern and in areas like asset impairment. This guide does not seek to replace the material issued by the regulators and standard setters but instead is a roadmap to help navigate their guidance and FAQs. It will be a handy resource as they approach these issues".

AICD CEO and Managing Director, Angus Armour said, "Australian directors are facing their toughest financial reporting season in decades. Investors and stakeholders are seeking clarity, while directors are grappling with the uncertainty created by global recession and pandemic. There has never been a more challenging period in our modern reporting environment given the level of disclosure that is now required and expected, and the consequences if you get it wrong."

"It remains a fundamental obligation that companies disclose all material information to the market where they have a reasonable basis to do so. The week to week volatility we are experiencing in how we work and live, never mind the markets, means directors will be required to make fine judgment calls on this information. This guide assists companies who are making those disclosures grapple with that difficult task."

The Australian Institute of Company Directors is committed to strengthening society through world-class governance. We aim to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society. Our membership of more than 45,000 includes directors and senior leaders from business, government and the not-for-profit sectors.

"Forward-looking disclosures will be particularly difficult. You should expect that companies will acknowledge in their statements the elevated level of uncertainty. Companies may also consider providing any detail of scenario modelling they have performed on COVID-19 impacts in their reports," Mr Armour said.

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