

[CO 98/100]Rounding in financial reports and directors' reports

Issued 10/7/1998

Related documents: [IR 05/42], [IR 99/11] and [IR 98/12].

Class Order [CO 98/100] permits the rounding of amounts in financial reports and directors' reports prepared under Chapter 2M of the Corporations Act. There are restrictions on the extent to which certain information can be rounded, such as remuneration of directors, executive officers and auditors.

This class order replaces Class Order [CO 97/1005].

Amended by Class Orders:	Date of operation
[CO 99/90]	11/2/1999
[CO 00/321]	8/2/2000
[CO 04/667]	15/7/2004
[CO 05/641]	28/7/2005
[CO 06/51]	31/1/2006
[CO 06/709]	7/9/2006

For details of amendments see historical notes in this class order.

Australian Securities and Investments Commission Corporations Act 2001 — Subsections 341(1) and 992B(1) — Class Order, Exemption and Revocation

[Historical note: [CO 98/100] amended 31/1/2006 [CO 06/51] by substituting the second and third lines of the heading. The second and third lines formerly read: "Corporations Act 2001 — Section 341(1) — Class Order and Revocation.".]

Under subsections 341(1) and 992B(1) of the *Corporations Act 2001* ("the Act") the Australian Securities and Investments Commission:

- (a) relieves each company, registered scheme and disclosing entity ("the Entity"); and
- (b) exempts each financial services licensee ("the Entity");

from compliance with the provisions of the Act mentioned below in relation to a financial year or half-year (the "Relevant Accounting Period"), to the extent and subject to the limitations and conditions mentioned below.

[Historical note: [CO 98/100] was amended 8/2/2000 [CO 00/321] by replacing the words "financial year to half-year" in the first paragraph with the words "financial year or half-year".

[CO 98/100] further amended 31/1/2006 [CO 06/51] by substituting the first paragraph. The first paragraph formerly read:

“Pursuant to subsection 341(1) of the *Corporations Act 2001* (“the Act”) the Australian Securities and Investment Commission hereby makes an order in respect of each company, registered scheme and disclosing entity (“the Entity”) relieving the Entity from compliance with the provisions of the Act mentioned below in relation to a financial year or half-year (the “Relevant Accounting Period”), to the extent and subject to the limitations and conditions mentioned below.”.]

Entities affected

An entity to which this class order and exemption applies must have total assets in excess of \$10,000,000, according to its own or its consolidated balance sheet at the end of the Relevant Accounting Period.

[*Historical note:* [CO 98/100] amended 31/1/2006 [CO 06/51] by adding the words “and exemption” after the word “order” in the paragraph under the heading “Entities affected”.]

Scope of relief

Entities to which this class order and exemption applies are exempt from sections 295 to 300A, 302 to 306, 314, 989B and 989C of the Act insofar as those provisions require amounts required or permitted to be set out pursuant to the Act to be stated exactly in the financial report and in the directors’ report.

[*Historical note:* The paragraph headed “Scope of relief” was amended 11/2/1999 [CO 99/90] by replacing the words “sections 295 to 300A and 302 to 306” with “sections 295 to 300A, 302 to 306 and 314”.

Further amended 31/1/2006 [CO 06/51] by inserting the word “and exemption” after the word “order”, and by substituting references to sections “306 and 314” with “306, 314, 989B and 989C”.]

Exclusions

This class order and exemption does not permit any amount to be rounded, the rounding of which has the potential to adversely affect:

- (a) decisions about the allocation of scarce resources made by users of the financial report (including consolidated financial statements, if any) and the directors’ report; or
- (b) the discharge of accountability by management or the directors of the entity or in relation to the auditors.

[*Historical note:* The paragraph under the heading “Exclusions” amended 31/1/2006 [CO 06/51] by inserting the words “and exemption” after the word “order”.]

Conditions

This class order is given on the following conditions:

- (a) the directors cause to be shown, in substitution for an amount that would otherwise be required or permitted to be set out exactly:
- (i) if the amount is half or less than half the prescribed amount — “nil” or the equivalent thereof;
 - (ii) in any other case, the amount rounded up or down to the nearest whole number multiple of the relevant prescribed amount;

except that if, for a particular item, the amounts in the financial report (including the consolidated financial statements) and the comparative figures are half or less than half the prescribed amount — the item and the amounts may be omitted;

- (b) where an amount is substituted under condition (a) of this exemption, the directors cause:
- (i) the corresponding amount in respect of the comparative financial year and/or half-year also to be shown in accordance with condition (a) of this exemption;
 - (ii) the relevant financial report or report to state that the Entity is an entity to which this class order applies and that amounts have been rounded off in accordance with this class order; and
 - (iii) the financial report and report to clearly disclose on each page where amounts have been rounded the extent to which those amounts have been rounded; and
- (c) where amounts are rounded to the nearest \$100,000 in accordance with condition (a)(ii), those amounts are presented in the form of a whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars, with a clear indication that the amounts are presented in millions of dollars (for example, in column headings or by placing the word “million” after the amounts).

Lower prescribed amounts

The Entity may substitute a lower amount (“the Lower Prescribed Amount”) for a prescribed amount otherwise required by this class order and exemption (“the Replaced Prescribed Amount”) provided that the Lower Prescribed Amount is:

- (a) one-tenth of one cent, one cent, \$1, \$1,000 or \$100,000;
- (b) less than the Replaced Prescribed Amount; and

- (c) applied for all amounts in the financial report and directors' report to which the Replaced Prescribed Amount otherwise applied.

[Historical note: [CO 98/100] was amended 8/2/2000 [CO 00/321] by inserting the heading "Lower prescribed amount" and the paras beneath it immediately before the heading "Prescribed amounts".

The paragraph under the heading "Lower prescribed amount" amended 31/1/2006 [CO 06/51] by replacing the word "Order" with the words "class order and exemption".]

Prescribed amounts

The prescribed amounts for the purposes of the conditions are as follows:

\$1,000, in relation to an entity with total assets in its own or its consolidated balance sheet at the end of the Relevant Accounting Period of more than \$1,000,000,000, in respect of:

- (i) income paid or payable to "directors" (as defined in paragraph 9.1 of accounting standard AASB 1017 "Related Party Disclosures" ("AASB 1017")) which is required to be disclosed pursuant to paragraphs 4.2 and 4.3 of AASB 1017;
- (ii) prescribed benefits required to be disclosed pursuant to paragraphs 4.7 and 4.8 of AASB 1017;
- (iii) other transactions with and balances of "directors" and "director related-entities" (as defined in paragraph 9.1 of AASB 1017) which are required to be disclosed pursuant to paragraphs 4.10, 4.12, 4.14, 4.15, 4.17 and 4.18 of AASB 1017;
- (iv) remuneration of executive officers which is required to be disclosed pursuant to paragraphs 6.1 and 6.2 of accounting standard AASB 1034 "Financial Report Presentation and Disclosures" ("AASB 1034");
- (v) remuneration of auditors which is required to be disclosed pursuant to paragraph 5.3 of AASB 1034;
- (vi) amounts relating to any equity-based compensation plans required to be disclosed in accordance with paragraphs 6.4 to 6.9 of accounting standard AASB 1028 "Employee Benefits";
- (vii) details, values and aggregates required to be disclosed in the directors' report under paragraphs 300(1)(d) and (g), subsections 300(8), (9), (11), (11B), (11C) and (12), and

paragraphs 300(13)(a) and 300A(1)(c) and (1)(e) of the Act;

- (vii) information disclosed in accordance with regulation 2M.6.04 and Schedule 5B of the *Corporations Regulations 2001*;
- (viii) information disclosed in accordance with ASIC Class Order [CO 06/50];
- (ix) any amounts required to be disclosed pursuant to accounting standard AASB 1046 "Director and Executive Disclosures by Disclosing Entities";
- (x) amounts required to be disclosed under paragraphs 44, 46 and 51 of accounting standard AASB 2 "Share-based Payment";
- (xi) remuneration of auditors required to be disclosed under paragraphs Aus 126.1 and 126.2 of accounting standard AASB 101 "Presentation of Financial Statements";
- (xii) compensation to key management personnel required to be disclosed under paragraph 16 of accounting standard AASB 124 "Related Party Disclosures" ("old AASB 124") made in July 2004 as amended to 19 December 2005;
- (xiii) transactions between related parties required to be disclosed under paragraphs 17, 18 and Aus18.1 of old AASB 124;
- (xiv) compensation to key management personnel and other information required to be disclosed under paragraphs 16, Aus25.4, Aus25.6, Aus25.7.1 to Aus25.9.2 of AASB 124 "Related Party Disclosures" ("new AASB 124") as made in December 2005; and
- (xv) transactions between related parties required to be disclosed under paragraphs 17 and 18 of new AASB 124;

[*Historical note:* Paragraph (vii) replaced 28/7/2005 [CO 05/641] with new paragraphs (vii) and (viii). Paragraph (vii) formerly read:

"(vii) details required to be disclosed in the directors' report pursuant to paragraphs 300(1)(d) and (g), subsections 300(4), (8), (9), (11) and (12), and paragraphs 300(13)(a) and 300A(1)(c) of the Act;"

Paragraphs (ix) – (xii) inserted 28/7/2005 [CO 05/641].]

Paragraphs (iv) – (viii) replaced 15/7/2004 [CO 04/667]. The paragraphs formerly read:

"(iv) remuneration of executive officers which is required to be disclosed pursuant to paragraphs 12.1 and 12.2 of accounting standard AASB 1034 "Information to be Disclosed in Financial Reports" ("AASB 1034") or pursuant to paragraphs 6.1 and 6.2 of accounting standard AASB 1034 "Financial Report Presentation and Disclosures" (notice of which was published in the

Commonwealth of Australia Gazette on 14 October 1999) (“revised AASB 1034”);

- (v) remuneration of auditors which is required to be disclosed pursuant to paragraph 11.1 of AASB 1034 or pursuant to paragraph 5.3 of revised AASB 1034;
- (vi) amounts relating to any ownership-based remuneration scheme required to be disclosed in accordance with paragraph 14(d) of accounting standard AASB 1028 “Accounting for Employee Entitlements”;
- (vii) details required to be disclosed in the directors’ report pursuant to subsections 300(1)(d), (1)(g), (4), (8), (9), (11), (12) and (13)(a) and subsection 300A(1)(c); and
- (viii) for a disclosing entity which is a prescribed interest undertaking, remuneration of, or payments made to, the manager and its associates and auditors’ fees required to be disclosed in accordance with a deed covenant pursuant to the former paragraph 7.12.15(5)(p)(iii) of the Corporations Regulations (as applied by Item 47.3(a) to the Corporations Regulations (Amendment) 1998, No 186) Corporations Regulations (Amendment) SR 186 of 1998.”.

[*Historical note:* Former version of paragraph (iv) was amended 8/2/2000 [CO 00/321] by inserting the words appearing after the words “(“AASB 1034”)” first time occurring.

Former version of paragraph (v) was amended 8/2/2000 [CO 00/321] by inserting the words appearing after the words “AASB 1034”, first occurring.

The paragraph beginning “\$1,000,” (first occurring) under the heading “Prescribed amounts” amended 31/1/2006 [CO 06/51] by:

- (i) inserting subparagraph (viiiib) after subparagraph (viiiia);
- (ii) substituting “Entities”, in subparagraph (viii) with “Entities”;; and
- (iii) substituting subparagraphs (xi) and (xii) with subparagraphs (xi), (xii), (xiii) and (xiv). Subparagraphs (xi) and (xii) formerly read:

“(xi) compensation to key management personnel required to be disclosed under paragraph 16 of AASB 124; and

(xii) transactions between related parties required to be disclosed under paragraphs 17, 18 and Aus 18.1 of AASB 124,;”]

one tenth of one cent, in relation to all entities, in respect of amounts required to be disclosed in accordance with paragraphs 8.1 and 17.1 of accounting standard AASB 1027 “Earnings per Share” and paragraphs 66 to 69 of accounting standard AASB 133 “Earnings per Share”;

[*Historical note:* Paragraph amended 28/7/2005 [CO 05/641] by inserting the text “and paragraphs 66 to 69 of accounting standard AASB 133 “Earnings per Share”;;”.]

Paragraph amended 15/7/2004 [CO 04/667] by replacing the text “11 and 16” with “8.1 and 17.1”.]

one cent, in relation to amounts required to be disclosed in accordance with s300(6)(c), (7)(d) and (7)(e);

\$1, in relation to an entity with total assets in its own or its consolidated balance sheet at the end of the Relevant Accounting

Period more than \$10,000,000 but not more than \$1,000,000,000, in respect of the items listed in paragraphs (i) to (xiv) above;

[Historical note: Paragraph amended 28/7/2005 [CO 05/641] by replacing the text “(i) to (viii)” with “(i) to (xii)”.

Further amended 7/9/2006 [CO 06/709] by replacing the text “(i) to (xii)” with “(i) to (xiv)”.]

\$1000, for all other purposes in relation to an entity with total assets of more than \$10,000,000 and not more than \$1,000,000,000, in its own or its consolidated balance sheet at the end of the Relevant Accounting Period;

\$100,000, for all other purposes in relation to an entity with total assets of more than \$1,000,000,000 and not more than \$10,000,000,000, in its own or its consolidated balance sheet at the end of the Relevant Accounting Period; and

\$1,000,000, for all other purposes in relation to an entity with total assets of more than \$10,000,000,000, in its own or its consolidated balance sheet at the end of the Relevant Accounting Period.

Pursuant to subsection 341(1) of the Corporations Law the Australian Securities and Investments Commission hereby revokes Australian Securities Commission Class Order Number 97/1005 dated 9 July 1997 with effect from:

- (i) in respect of entities which apply the relief provided by Class Order 98/0095 dated 10 July 1998, financial years ending after 7 July 1998; and
- (ii) in all other cases, financial years ending after 30 June 1998.

Interpretation

In the paragraphs of this instrument headed

“EXCLUSIONS” and “CONDITIONS”, a reference to directors is taken to include a reference to:

- (a) where the relevant Entity is a financial services licensee that is a partnership—the partners of the Entity; or
- (b) where the relevant Entity is a financial services licensee that is a natural person—the person.

[Historical note: [CO 98/100] amended 31/1/2006 [CO 06/51] by inserting the paragraph titled “Interpretation” before the last paragraph.]

[Historical note: [CO 98/100] amended 15/7/2004 [CO 04/667] by replacing references to the Corporations Law with the Corporations Act 2001.]

Dated the 10th day of July 1998

Signed by George Durbridge
as a delegate of the Australian Securities and Investments
Commission