



## **Tier 1 models and reporting considerations**

Financial reporting periods ending on or after  
30 June 2024

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# A. Using this publication



This section introduces the 30 June 2024 models and reporting considerations and provides an overview of using the document.

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# A1 Introduction

## Now is the time to focus and refine existing disclosures in a rapidly evolving corporate reporting environment

Corporate reporting is at an important juncture. Investors are increasingly focused on transparent, entity-specific information about an entity's circumstances, including financial performance and position, and more broadly, how the entity is impacted by sustainability risks and opportunities, particularly climate-related – but increasingly others such as human rights and nature.

This holistic investor focus demands that entities respond in a meaningful and targeted manner. After many years of financial report 'bloat' as regulators and standard-setters respond to increasingly complex corporate environments and transactions, now is an ideal time to take stock of existing disclosures to ensure they are right for the times, 'telling the story' of the entity's performance, risk-tolerance and broader relationship with the economy and society.

Regulators and standard-setters themselves have responded in recent years with an increasing focus on material, client-specific information when setting requirements – encouraging the removal of clutter and boilerplate information. For instance, the changes to accounting policy disclosures in the current year provide an opportunity to reassess what is useful to users of the financial statements. Forthcoming changes to primary financial statements with a focus on management performance measures continues this trend, as do proposals to provide more information about acquisition performance on a multi-year basis.

In undertaking a reassessment, entities should respond to increasing investor demand for sustainability related disclosures and communications. Entities should consider how climate-related statements – including any 'net zero' or similar commitments – are woven into the financial statements themselves, including how they impact key estimates and judgements. This may include explaining why targets have *not* impacted the financial statements and the extent to which estimates used in impairment and other models have been impacted by commitments.

As investors look for broader corporate disclosure, so too must entities ensure they have an integrated team of finance, sustainability, tax experts and investor relations working together to ensure complete, accurate and transparent reporting.

Undertaking analysis now is a crucial step in preparing for the imminent introduction of mandatory climate-related financial disclosures in Australia, with legislation introduced to give effect to mandatory reporting for as early as financial years beginning from 1 January 2025. The effort required to respond to this new corporate reporting environment should not be underestimated, particularly as the new reporting will follow financial reporting timelines.

Finally, recent legislation has introduced a new 'consolidated entity disclosure statement' in public company financial reports. This requirement, which is part of Federal Government's broader reforms in relation to multinational taxation, applies for the first time at 30 June 2024.

April 2024



“Take the opportunity now to refine disclosures in financial reports before Australia’s imminent move to a new era of mandatory climate reporting”

**Alison White**  
**National Leader**  
**Accounting & Corporate Reporting**

# A2 Using this document

This publication can be used as a guide in achieving best practice outcomes in annual reports of 'Tier 1' entities

## Roadmap to this section

Topic	What is covered	Who does it apply to?
A2.1 Purpose	Who is required to prepare "Tier 1" financial statements under Australian Accounting Standards	Entities preparing GPFS
A2.2 Who should use this model annual report?	Who is required, or chooses, to prepare Tier 1 financial statements	Entities preparing Tier 1 GPFS
A2.3 Other considerations	Other information about using the model annual report	
A2.4 Effective date	Effective date of this model annual report, i.e. 30 June 2024	Entities using this model annual report
A2.5 Abbreviations	Abbreviations used in this model annual report	

## A2.1 Purpose

The Deloitte global IFRS model financial statements contained in the main section of this document (i.e. section *Core model financial statements*) illustrate the presentation and disclosure requirements of IFRS® Accounting Standards for the year ended 31 December 2023 by an entity that is not a first-time adopter of IFRS Accounting Standards and are also applicable for the year ended 30 June 2024. They comprise consolidated financial statements which illustrate the impact of the application of IFRS Accounting Standards that are mandatorily effective for the annual period beginning on 1 July 2023.

The core model financial statements, however, do not illustrate the presentation and disclosure requirements specific to annual reports prepared in Australia. Therefore, Appendix 2 to the core model financial statements has been designed by Deloitte Australia to assist users with the preparation of annual reports in Australia in accordance with:

- Provisions of the *Corporations Act 2001*
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board
- Other requirements and guidelines current as at the date of issue, including ASX Listing Rules, ASIC Corporations Instruments/Class Orders, Regulatory Guides, Media Releases and the Tax Transparency Code.

Although the Deloitte IFRS model financial statements and information in the core model financial statements has been presented for a financial year ending on 31 December 2023, these illustrative disclosures are designed to be used in conjunction with the Australian-specific information in Appendix 2, which has been updated and presented as relevant for the year ended 30 June 2024. Appendix 2 also includes additional considerations for Tier 1 financial reports for the year ended 30 June 2024 for Australian not-for-profit and public sector entities. Entities with differing year ends will need to ensure that they include the relevant requirements based on the date when preparing their financial reports.

## Not-for-profit and public sector entities

Illustrative disclosures and guidance specific to not-for-profit and public sector entities have been highlighted in this document by being shaded using teal colouring as illustrated here.

## A2.2 Who should use this model annual report?

### A2.2.1 Overview

These financial statements are designed for entities required to comply with 'Tier 1' financial reporting requirements, as set out in AASB 1053 *Application of Tiers of Australian Accounting Standards*, except for superannuation entities preparing financial reports under the Corporations Act.

AASB 1053 outlines the categories of entities that are required to comply with Tier 1 requirements (AASB 1053:11-12):

- For-profit private sector entities that have public accountability and are required by legislation to prepare financial statements that comply with either Australian Accounting Standards or accounting standards
- Australian Government, State, Territory and Local governments
- Subject to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, general government sector financial statements of the Australian Government and State and Territory Governments.

Other entities may be required to comply with Tier 1 reporting requirements under other legislative, regulatory or legal requirements. For example, ASIC requires certain Australian financial services (AFS) licensees to prepare Tier 1 financial statements for the purposes of Form FS70 *Australian financial services licensee profit and loss statements and balance sheet*.

Other entities can choose to comply with Tier 1 or Tier 2 reporting requirements.



**More information about Australia's differential reporting framework can be found in the *Australian financial reporting guide*, available at [www.deloitte.com/au/models](http://www.deloitte.com/au/models).**

**Superannuation entities preparing financial reports under the Corporations Act should refer to our *Superannuation entity model financial report (for financial reporting periods ending on or after 30 June 2024)*, which is available at [www.deloitte.com/au/models](http://www.deloitte.com/au/models)**

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### A2.2.2 Tier 1 and Tier 2 reports

Australian Accounting Standards – Simplified Disclosures (Tier 2) comprises the recognition and measurement requirements of Tier 1 (including consolidation and the equity method of accounting) but substantially reduced disclosure requirements. Except for the presentation of a third statement of financial position under Tier 1, and the option of not presenting a statement of changes in equity (in limited circumstances), the presentation requirements under Tier 1 and Tier 2 are the same. Tier 2 disclosure requirements are set out in AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1053.9).

These International GAAP Holdings Limited model financial statements include disclosures that apply to Tier 1 general purpose financial statements and do **not** illustrate the disclosures applicable to Tier 2 general purpose financial statements.



**Entities applying Australian Accounting Standards – Simplified Disclosures should refer to our *Tier 2 model financial report*, which is available at [www.deloitte.com/au/models](http://www.deloitte.com/au/models)**

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## A2.3 Other considerations

### A2.3.1 Amounts

The model financial statements are intended to illustrate the presentation and disclosure requirements of Australian Accounting Standards without the use of any numbers. They also contain additional disclosures considered to be best practice, particularly where such disclosures are included in illustrative examples provided within a specific Standard.

### A2.3.2 Additional disclosures

These model financial statements include line items that are not applicable to International GAAP Holdings Limited to illustrate items that are commonly encountered in practice. This does not mean that we have illustrated all possible disclosures, nor should it be taken to mean that entities are required to display such line items in practice.



### A2.3.3 Limitations

We have developed the Deloitte model financial reports and the *Australian financial reporting guide* (available at [www.deloitte.com/au/models](http://www.deloitte.com/au/models)) to assist you to meet the general financial reporting requirements applying to many entities reporting under the Corporations Act. General guidance cannot cover all possibilities, or deal with every possible permutation. We have not dealt with specific industries and types of entities, including:

- Registrable superannuation entities preparing financial reporting under the Corporations Act and applying AASB 1056 *Superannuation Entities*
- Entities that are investment entities under AASB 10 *Consolidated Financial Statements*
- Entities where the parent company or its subsidiaries are entities whose functional currency is the currency of a hyperinflationary economy
- Not-for-profit and public sector entities (other than the information provided in Appendix 2 – Australian-specific disclosures which is highlighted by being shaded using teal colouring)
- Entities subject to the regulatory requirements of Australian Charities and Not-for-profits Commission (ACNC)
- Australian financial services (AFS) licensees
- Entities subject to the regulatory requirements of the Australian Prudential Regulation Authority (APRA)
- Stapled entities
- Notified foreign passport funds.

Enquiries regarding specialised industries (e.g. life insurance companies, credit unions etc.) should be directed to an industry specialist in your Deloitte office.

### A2.3.4 Pronouncements

These model financial statements do not take into account pronouncements which are not yet effective except in relation to illustrating the disclosures specified by AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* for those Standards.

The model financial statements do not illustrate the early adoption of any Australian Accounting Standards or Interpretations that are not mandatory as at 30 June 2024 unless otherwise noted. Furthermore, this model annual report does not illustrate the disclosure requirements of the following Australian Accounting Standards and Interpretations:

Reference	Title / comment
AASB 1	<i>First-time Adoption of Australian Accounting Standards</i>
AASB 4	<i>Insurance Contracts</i>
AASB 6	<i>Exploration for and Evaluation of Mineral Resources</i>
AASB 14	<i>Regulatory Deferral Accounts</i>
AASB 17	<i>Insurance Contracts</i>
AASB 129	<i>Financial Reporting in Hyperinflationary Economies</i>
AASB 134	<i>Interim Financial Reporting</i>
AASB 141	<i>Agriculture</i>
AASB 1004	<i>Contributions</i>
AASB 1023	<i>General Insurance Contracts</i>
AASB 1038	<i>Life Insurance Contracts</i>
AASB 1039	<i>Concise Financial Reports</i> (other than as noted)
AASB 1049	<i>Whole of Government and General Government Sector Financial Reporting</i>
AASB 1050	<i>Administered Items</i>
AASB 1051	<i>Land Under Roads</i>
AASB 1052	<i>Disaggregated Disclosures</i>
AASB 1053	<i>Application of Tiers of Australian Accounting Standards</i>
AASB 1055	<i>Budgetary Reporting</i>
AASB 1056	<i>Superannuation Entities</i>
AASB 1059	<i>Service Concession Arrangements: Grantors</i>
AASB 1060	<i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>

Reference	Title / comment
Int 2	<i>Members Shares in Co-operative Entities and Similar Instruments</i>
Int 7	<i>Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies</i>
Int 10	<i>Interim Financial Reporting and Impairment</i>
Int 12	<i>Service Concession Arrangements</i>
Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
Int 129	<i>Service Concession Arrangements: Disclosures</i>
Int 1019	<i>The Superannuation Contributions Surcharge</i>
Int 1003	<i>Australian Petroleum Resource Rent Tax</i>
Int 1019	<i>The Superannuation Contributions Surcharge</i>
Int 1038	<i>Contributions by Owners Made to Wholly-Owned Public sector Entities</i>
Int 1042	<i>Subscriber Acquisition Costs in the Telecommunications Industry</i>
Int 1047	<i>Professional Indemnity Claims Liabilities in Medical Defence Organisations</i>
Int 1055	<i>Accounting for Road Earthworks</i>

### A2.3.5 Source references

References to the relevant requirements are provided in the left hand column where relevant. Where doubt exists as to the appropriate treatment, examination of the source of the disclosure requirement is recommended.

### A2.4 Effective date

This model annual report includes reporting obligations and illustrative disclosures that are effective for financial years ending on 30 June 2024.

Unless otherwise noted, the information in this guide has been updated for developments to 9 April 2024.

### A2.5 Abbreviations

The following abbreviations are used in this guide:

Abbreviation	Description
AASB	Australian Accounting Standards Board
ACNC	The Australian Charities and Not-for-profits Commission
AFS	Australian financial services
AIS	Annual information statement
AGM	Annual general meeting
AUASB	Australian Auditing and Assurance Standards Board
Australian Accounting Standards	Australian Accounting Standards issued by the Australian Accounting Standards Board
ASA	Australian Auditing Standard issued by the Auditing and Assurance Standards Board
ASIC	Australian Securities & Investments Commission
ASIC-CI	Australian Securities and Investments Commission Corporations Instrument issued pursuant to s.341(1) of the <i>Corporations Act 2001</i>
ASIC-RG	Australian Securities and Investments Commission Regulatory Guide
ASX	Australian Securities Exchange
ASX-LR	Australian Securities Exchange Limited Listing Rule
ASX-GN	Australian Securities Exchange Limited Guidance Note
ATO	Australian Tax Office

<b>Abbreviation</b>	<b>Description</b>
CCIV	Corporate Collective Investment Vehicle
Corporations Act	<i>Corporations Act 2001</i>
ED	Exposure Draft issued by the Australian Accounting Standards Board or the International Accounting Standards Board
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GHG	Greenhouse gas
GPFS	General purpose financial statements
IASB	International Accounting Standards Board (IASB®)
IFRIC	IFRS Interpretations Committee
IFRS Accounting Standards	International Financial Reporting Standards (IFRS®) issued by the International Accounting Standards Board
IFRS Sustainability Disclosure Standards	IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board
Int	Interpretation issued by the Australian Accounting Standards Board
ISSB	International Sustainability Standards Board
ITAA 1997	<i>Income Tax Assessment Act 1997</i>
OCI	Other comprehensive income
OFR	Operating and financial review
Reg	Regulation of the <i>Corporations Regulations 2001</i>
s.	Section of the <i>Corporations Act 2001</i>
Tax Administration Act	<i>Tax Administration Act 1953</i>

# B. Key considerations for 30 June 2024



This section provides pertinent information for corporate reporting at 30 June 2024, including what's new for the current reporting season, a summary of new and revised pronouncements and reporting deadlines.

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# B1 What's new in corporate reporting?

This section provides an overview of the key corporate reporting considerations for financial reporting periods ending on 30 June 2024.

## Roadmap to this section

Topic	What is covered
B1.1 Summary of key corporate reporting considerations for 30 June 2024	An easy-to-follow summary of the key changes and other considerations for corporate reporting at 30 June 2024
B1.2 Ongoing financial reporting considerations in times of uncertainty	<ul style="list-style-type: none"> <li>• Effective communication in financial reporting through transparency</li> <li>• Resources available</li> </ul>
B1.3 Key global financial reporting developments	<ul style="list-style-type: none"> <li>• Accounting policy disclosure changes</li> <li>• New insurance standard for accounting for insurance contracts</li> <li>• Amendments for deferred tax related to assets and liabilities arising from a single transaction</li> <li>• Global agreement on corporate taxation</li> <li>• Recent IFRIC agenda decisions</li> </ul>
B1.4 Australian specific considerations	<ul style="list-style-type: none"> <li>• Accounting implications of recent Australian government initiatives</li> <li>• ASIC</li> <li>• Consolidated entity disclosure statement</li> <li>• New financial reporting requirements for registrable superannuation entities (RSEs).</li> </ul>
B1.5 Sustainability (including climate) financial disclosure developments	<ul style="list-style-type: none"> <li>• Global developments</li> <li>• Australian developments</li> <li>• Greenwashing</li> <li>• Other developments</li> </ul>

The information in this section was prepared as of 9 April 2024 and entities should ensure any developments occurring from this date to the date of authorising of the financial statements are appropriately taken into account. This publication is updated twice yearly (for June and December reporting periods) and the latest edition can be found at [www.deloitte.com/au/models](http://www.deloitte.com/au/models).

As occurs so often with changes to accounting standards and broader financial reporting requirements, some of the new or revised pronouncements and other information noted in this section may have a substantial impact on particular entities. Therefore, it is important that the information in this section is carefully reviewed for any potential impacts or opportunities.

## B1.1 Summary of key corporate reporting considerations for 30 June 2024

### B1.1.1 Relevant to full year financial reports at 30 June 2024

The following should be considered for full year financial reports at 30 June 2024. More detail is provided in the sections that follow (click through using the arrow symbols provided).



#### Transparent reporting in the current economic environment

Current economic conditions require a wide ranging response in financial reporting in areas such as impairment, expected credit losses, contract modifications and liquidity risk management. Section B1.2 provides more detail on these areas and more.



#### Sustainability reporting is imminent

The International Sustainability Standards Board has issued its first IFRS® Sustainability Disclosure Standards to serve as a global baseline for sustainability disclosures. In Australia, the Federal Government is moving toward mandatory climate-related financial disclosures with Treasury releasing proposed legislation to implement reporting through the Corporations Act. The AASB has also released an exposure draft of proposed Australian Sustainability Reporting Standards (based on the IFRS Sustainability Disclosure Standards but using a 'climate first' approach). Understand the proposed requirements and their proposed introduction from periods commencing 1 July 2024 in section B1.5.



#### New financial reporting standards

New requirements apply in full-year financial reports for the first time:

- A requirement to disclose **material accounting policy information** (rather than significant accounting policies) provides an opportunity to reduce the volume of disclosure and focus on pertinent information
- The **new insurance standard** applies to insurance contracts irrespective of the issuer (not just insurance entities or reinsurance entities)
- Entities with leases or decommissioning liabilities need to respond to an amended 'initial recognition exemption' when calculating **deferred taxes**
- Entities subject to the **OECD Pillar Two reforms** (broadly, entities with more than approximately \$1.2 billion in revenue) have an exemption from deferred tax accounting in relation to the impacts of Pillar Two but must disclose the impact of Pillar Two taxes on the entity.

More details can be found in section B1.3.



#### ASIC surveillance activities and focus areas

ASIC has implemented a new data-led risk-based approach to its surveillance of financial reporting and audit, which integrates financial reporting and audit surveillance. Whilst ASIC focus areas for June 2024 are not known at the time of finalisation of this publication, we expect them to follow recent releases. These are outlined in section B1.4.2



#### New financial reporting requirements for public companies and superannuation funds

Public companies (listed and unlisted) will be required to include a consolidated entity disclosure statement in their financial reports for the first time at 30 June 2024 (see section B1.4.3). In addition, registerable superannuation entities (RSEs) will be required to prepare a directors' report and financial report under the Corporations Act for the first time at the same date (see section B1.4.4).



This is a high-level summary – each entity will be affected differently. Accordingly, financial report preparers should consider their own specific circumstances when preparing their financial reports and ensure they fully consider all the requirements in the sections that follow.

### Important note regarding ASIC focus areas

At the time of going to finalising this publication (9 April 2024), ASIC had not released focus areas for 30 June 2024. We expect that the focus areas will be largely consistent with prior periods, covering recoverability of assets, adequacy of provisions, classification of debt as current or non-current and disclosures of material business risks, including climate change risk and cyber security risks.

ASIC's 30 June 2024 focus areas are expected to be announced on the [ASIC website](#) in the near future. More information on key matters to consider can be found in our [Clarity publication](#) *ASIC releases results of first integrated surveillance program and December 2023 focus areas*. We will provide updates in future editions.

For more information on ASIC (including ASIC's modified regulatory approach and financial report reviews), see section B1.4.2.



**Our *Corporate reporting update* series provide insights from leading specialists in financial reporting from our Accounting Technical team and audit practice who share thoughts and lessons learnt from the recent reporting seasons. *Corporate reporting updates* can be accessed at [www.deloitte.com/au/cfru](http://www.deloitte.com/au/cfru).**

## B1.2 Ongoing financial reporting considerations in times of uncertainty

### B1.2.1 Effective communication in financial reporting through transparency

For the past few years Australia and the rest of the world have faced challenging economic conditions as a result of the geopolitical instability, increasing interest rates and energy prices, supply chain constraints, labour shortages, inflation, global banking sector instability and extreme weather events in Australia and other parts of the world. However, Australia and other parts of the world have seen improvements in economic conditions in some areas.

An important response to the challenges is to enhance the transparency of the financial report so that readers understand the impacts on the entity and the decisions, judgements and uncertainties involved in compiling the financial report.

One of ASIC's key focus areas for both December 2023 and June 2023 financial reporting was disclosure. Entities might expect regulatory scrutiny to continue to be rigorous. Early planning and timely preparation of position papers will enable management and directors to make informed decisions on key estimates and judgments and will support the quality of the financial information provided to the market.

Some areas where these types of uncertainties, unexpected events and developments impact financial reporting and where transparency is particularly important are outlined below.

#### Disclosure is your friend: significant judgements and estimation uncertainty

The current economic, geopolitical and climatic environment naturally leads to varying forecasts of future conditions, demand and indicators. Different entities will develop varying forecasts and make differing assumptions and judgements when preparing financial statements. Regulators will have their own views.

Making transparent disclosures:

- **Areas likely to be affected** – this might include impairment of assets, fair values of unlisted assets, expected credit losses associated with loans and receivables, provisions, recovery of deferred tax assets, and judgemental accounting policies
- **When to disclose** – if an assumption, forecast or judgement has a material impact on the financial statements, and likely or possible changes would impact reported financial performance or position
- **What to disclose** – entity-specific and transparent information that allows users to understand the nature of assumption, uncertainty or judgement and the potential impacts on financial performance or position
- **Sensitivity and scenario analyses** – these can provide important information and context to disclosures
- **Documentation** – disclosures impacted by significant judgements and estimation uncertainty should be supported by documented positions.



## Operating and financial review (OFR)

### ASIC expects high-quality OFR including the disclosure of material business risks and information about the entity's strategies and prospects

- Disclosures made should be tailored to the individual circumstances of the entity and the business environment in which it operates, consistent with the annual financial report, balanced and unambiguous and presented in a clear, concise and effective manner (see [ASIC Regulatory Guide RG 247 Effective disclosure in an operating and financial review](#))
- ASIC has a strong focus on material business risks, including climate change and cyber security risks and opportunities, and greenwashing
- Non-IFRS measures should not be given undue prominence, be reconciled to IFRS measures and consistently determined from period to period.

## Impairment

### Economic conditions may be pervasive to an entity's impairment testing

- A probably-weighted approach may be needed
- Remember market capitalisation can be an indicator of impairment but is not a measure of recoverable amount
- Consider impacts of higher costs, production interruptions
- Build in sales price increases where reasonable
- Ensure energy price forecasts are reasonable
- Ensure discount rates and terminal values reflect current interest rate actualities and expectations
- Consider whether an indicator of impairment reversal exists
- Include meaningful, entity-specific disclosures, focus on key assumptions in sensitivity analyses and consider scenario analyses.

## Provisions and other liabilities

### Unrecorded and under-recorded liabilities have been a long term focus of regulators

- Non-recognition of provisions on the basis of not being able to reliably measure the provision is expected to be extremely rare
- Onerous contracts may arise due to changes in economic conditions, e.g. where increased costs cannot be passed on under a fixed price or non-inflation linked customer contract
- The measurement of longer term provisions (such as decommissioning costs) and pension liabilities may be materially impacted by interest rate changes and expectations
- Long term employee provisions should reflect current wage increase expectations.

## Revenue recognition

### Regulatory scrutiny of revenue recognition policies continues to be high

- The requirement that variable consideration should only be included in revenue where it is highly probable it will not result in a significant reversal may require re-estimation in areas such as customer returns or liquidated damages
- Renegotiated customer contracts may trigger contract modification accounting
- The ability of the entity to pass-on increased costs to customers should be disclosed in the operating and financial review.

## Expected credit losses

### Expected credit loss on trade and other receivables relies on forward looking information

- Ensure models, judgements and assumptions reflect current economic data.

## Inventories

### Inventories are measured at the lower of cost and net realisable value

- Inflation and cost of living increases may lead to products becoming less affordable
- Inventories may include inflationary impacts and abnormal costs, heightening the possibility of cost exceeding net realisable value
- Where inventory write downs (or reversals of write downs) are material, ensure appropriate disclosure is made.

### Fair value measurement

#### Determination of fair value often involves significant judgement

- Economic conditions may require changes in valuation techniques or changes in classification in the 'fair value hierarchy' (often to or from Level 3)
- There is recent evidence of lower valuations in commercial and other property
- Where climate-related matters materially impact fair value measurements, disclosures should include how the impact has been incorporated and any significant uncertainties.

### Liquidity risk management

#### Liquidity is central to an entity's ability to continue as a going concern

- Liquidity disclosures are particularly important where uncertainty exists and where banks have tightened lending criteria
- Clear disclosure should be made of working capital enhancements such as supplier financing arrangements (consider the recent amendments for supplier finance arrangements, effective for annual reporting periods beginning on/after 1 January 2024 - see section B2.2.2 for more information).

### Subsequent events

#### Material subsequent events should be assessed to determine if they should be adjusted or disclosed in the financial statements

- Forward-looking calculations such as impairment assessments and expected credit loss calculations should consider conditions and foresight at the reporting date and not use the benefit of hindsight.

### Complex financing arrangements

#### Features in financing arrangements may change the accounting treatment

- Transactions such as raising capital, supplier finance arrangements and borrowing facilities may involve features that change the accounting treatment for example debt versus equity, sale or financing of a sale and leaseback, embedded derivatives or compound financial instrument accounting for financing facilities that contain linkages to non-standard variables.

### Payment of dividends

#### Consider all appropriate accounting, legal and tax aspects before declaring a distribution

- Because of interpretational issues around the legal and tax requirements for dividends, care is needed if a distribution is proposed to be paid other than out of current year profits
- Consider indirect accounting implications e.g. possible current and deferred tax impacts of paying dividends up from subsidiaries.

### Going concern

#### Disclosure is required where assessing going concern involved significant judgement

- Recent going concern issues, for example in the building and construction industry, have highlighted that specific industries are more vulnerable to the challenges posed by current economic conditions than others
- Key considerations include any operational disruptions, potential diminished demand, contractual obligations, potential liquidity and working capital shortfall and access to capital
- The assessment of going concern needs to cover a period until at least the expected date of the auditor's report for the next annual reporting date (or corresponding interim reporting date for interim periods).

## B1.2.2 Resources available

Outlined below are various resources that may assist entities in understanding and responding to the financial reporting considerations arising from the current economic environment.

Resource	Details
<b>Key Deloitte publications</b>	
<a href="#">Clarity publication</a> <i>ASIC releases results of first integrated surveillance program and December 2023 focus areas</i>	Discusses ASIC's inaugural annual financial reporting and audit surveillance report for the year 2022–23 and ASIC's focus areas for 31 December 2023 reporting considering ASIC's request to directors, preparers of financial reports and auditors to assess the impact of uncertain market and economic conditions when reporting for full and half-years ending 31 December 2023.
<a href="#">Appendix 1 to this publication</a>	Provides a summary of the disclosures in financial statements that might need to be adapted to explain how the entity impacts or is impacted by climate change.
<a href="#">A Closer Look</a> <i>IAS 36 Impairment of non-financial assets – reminders and hot topics</i>	Answers some common questions on applying IAS 36 <i>Impairment of Assets</i> , addressing potential pitfalls and providing reminders of certain key requirements of the Standard.
<a href="#">iGAAP in Focus</a> <i>Closing Out (March 2024)</i>	This iGAAP in Focus discusses issues that may be relevant in view of the current economic and geopolitical environment and also highlight areas of regulatory focus and recent changes in in IFRS accounting standards applicable to this year-end.
<a href="#">iGAAP in Focus</a> <i>Reporting in uncertain times: Impact of recent events in the banking sector</i>	This iGAAP in Focus addresses key financial reporting matters associated with the recent events for entities that apply IFRS Accounting Standards.
<a href="#">IFRS in Focus</a> <i>IFRS Foundation publishes educational material on the requirements of IFRS Standards relevant for going concern assessment</i>	Addresses the educational material <a href="#">Going concern - a focus on disclosure</a> .
<a href="#">IFRS in Focus</a> <i>Financial reporting considerations related to the Russia-Ukraine War</i>	Discusses some of the key impacts of the Russia-Ukraine war that entities need to consider.
<a href="#">AASB 9 in the Spotlight</a> – <i>Considerations going into 2022</i>	This blog discusses the issues and trends that entities should be considering in their calculation of expected credit losses (ECL) under AASB 9 <i>Financial Instruments</i> going into 2022.
<a href="#">Clarity publication</a> – <i>Not-for-profit 2023 financial reporting update</i>	This publication discusses the key matters to consider in the not-for-profit space including considerations of sustainability reporting and climate-related disclosures.
<a href="#">Clarity publication</a> – <i>Not-for-profit 2022 financial reporting update</i>	This publication discusses the key matters to consider in the not-for-profit space including considerations relating to post implementation issues on income recognition.
<b>AASB and AUASB</b>	
<a href="#">AASB Staff FAQs</a> – <i>AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 16 Leases</i>	Provides FAQs for not-for-profit entities on the accounting treatment of transactions under AASB 15 <i>Revenue from Contracts with Customers</i> , AASB 1058 <i>Income of Not-for-Profit Entities</i> and AASB 16 <i>Leases</i> .
<b>ASIC</b>	
<a href="#">ASIC new and updated regulatory documents</a>	A weekly tracker of ASIC regulatory document updates for each year. It lists and includes links to all new and updated regulatory guides, information sheets, reports and consultation papers issued by ASIC. Also includes links to legislative instruments (including rules, determinations and waivers) made by ASIC. This resource allows for the easy monitoring of new developments and announcements.

## B1.3 Key global financial reporting developments

### B1.3.1 Accounting policy disclosure changes

AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* and AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards* make amendments to various Australian Accounting Standards and AASB Practice Statement 2 *Making Materiality Judgements* to change the way in which accounting policies are disclosed in financial reports. The amendments require disclosure of material accounting policy information rather significant accounting policies and are effective for annual reporting periods beginning on or after 1 January 2023.

Under the revised requirements, accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. As a result, standardised information or information that only duplicates or summarises the requirements of Australian Accounting Standards may be less useful to users of financial statements. Removal of this 'boilerplate' information can substantially reduce the volume of disclosure in financial statements.

AASB 101 *Presentation of Financial Statements* notes the following areas as examples where an entity is likely to consider accounting policy information material to its financial statements if that information relates to material transactions, other events or conditions and the accounting policy (AASB 101.117B):

Potentially material accounting policy information	Illustrative examples
The entity changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements	<ul style="list-style-type: none"> <li>Impact of various amendments to Australian Accounting Standards and IFRIC agenda decisions</li> </ul>
The entity chose the accounting policy from one or more options permitted by Australian Accounting Standards	<ul style="list-style-type: none"> <li>Measurement of property, plant and equipment at cost or on the revaluation basis</li> <li>Classification of investments in equity instruments as fair value through other comprehensive income</li> </ul>
The accounting policy was developed in accordance with AASB 108 in the absence of an Australian Accounting Standard that specifically applies	<ul style="list-style-type: none"> <li>Accounting for the R&amp;D tax offset as either a government grant or income tax</li> <li>Accounting for business combinations under common control</li> </ul>
The accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity discloses those judgements or assumptions	<ul style="list-style-type: none"> <li>Determination of cash-generating units when undertaking impairment testing of assets</li> <li>Allocation of the transaction price to performance obligations and when the entity recognises revenue in relation to complex revenue streams</li> <li>Treatment of uncertain tax provisions</li> </ul>
The accounting required for the material transactions, other events or conditions is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions	<ul style="list-style-type: none"> <li>Recognition and measurement of written puts over non-controlling interests</li> <li>Deferred tax consequences of investments in subsidiaries within tax-consolidated groups.</li> </ul>

AASB Practice Statement 2 *Making Materiality Judgements* (as amended by AASB 2021-2) provides further detail on determining whether accounting policy information is material. The Practice Statement notes the following:

*"Paragraph 117C of AASB 101 describes the type of material accounting policy information that users of financial statements find most useful. Users generally find information about the characteristics of an entity's transactions, other events or conditions—entity-specific information—more useful than disclosures that only include standardised information, or information that duplicates or summarises the requirements of the Australian Accounting Standards. Entity-specific accounting policy information is particularly useful when that information relates to an area for which an entity has exercised judgement—for example, when an entity applies an Australian Accounting Standard differently from similar entities in the same industry."*

These 30 June 2024 Tier 1 models financial statements illustrate the application of AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* for the first time.

More information can be found in [IFRS in Focus](#) *IASB amends IAS 1 and IFRS Practice Statement 2 with regard to the disclosure of accounting policies*.

### **B1.3.2 New insurance standard for accounting for insurance contracts**

AASB 17 *Insurance Contracts* is the new insurance standard which applies to insurance contracts. It is effective for annual reporting periods beginning on or after 1 January 2023 and therefore effective for the first time for 30 June 2023 annual reporting periods (already applied for 30 June 2023 half-year reporting periods).

AASB 17 does not only apply to insurers and reinsurers, but rather to insurance contracts. It is a highly complex accounting standard that captures contracts issued that transfer significant insurance risk. Therefore, entities should carefully consider if any of their contracts are in the scope of AASB 17.

There are various transition requirements which impacted entities need to consider when applying AASB 17. To help entities implement the transition and disclosure requirements see [Deloitte](#) *Illustrative disclosures for insurers applying IFRS 17 – 31 December 2023* for an illustrative presentation and disclosures under IFRS 17.

For public sector entities, the mandatory application date of AASB 17 has been deferred to annual periods beginning 1 July 2026 via the issuance of AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* as the AASB is amending AASB 17 for application by public sector entities.

For more information, see:

- Deloitte publication [A Closer Look](#) - *IFRS 17 for Non-insurers*
- [Deloitte](#) *Illustrative disclosures for insurers applying IFRS 17 – 31 December 2023*.

### **B1.3.3 Amendments for deferred tax related to assets and liabilities arising from a single transaction**

In June 2021 the AASB issued AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* to introduce an exception to the initial recognition exemption so that it does not apply to transactions that give rise to equal taxable and deductible temporary differences, such as leases and make-good, decommissioning, restoration and similar obligations.

Prior to the amendments there were different views on whether the initial recognition exemption in AASB 112 *Income Taxes* applied to transactions that lead to the recognition of an asset and liability at the same time. These differing views resulted in accounting for deferred tax on such transactions in different ways, thus reducing the comparability between financial statements.

Some held the view that the 'net' position on the balance sheet should be considered – which resulted in no deferred tax recognised on initial recognition. Others however looked at the liability and asset separately and applied the initial recognition exemption on the basis that at the time of the transaction, the transaction affects neither accounting nor taxable profit (or loss) and is not a business combination. The 'net' approach was commonly adopted approach in Australia.

The amendments effectively look at these transactions in a different way such that if deferred taxes are recognised on the initial recognition of an asset and liability, a deferred tax asset and offsetting deferred tax liability is recognised – so the 'other side' of both will be recognised in profit or loss, resulting in no net income tax expense.

Although the amendments will likely not impact the net assets of an entity (where the entity previously used the 'net' approach), they may change the makeup of net deferred taxes recognised in the balance sheet.

The amendments are effective for annual periods beginning on or after 1 January 2023 and therefore effective for the first time for annual reporting periods ending 30 June 2024. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented and entities should apply the transitional provisions at the beginning of the earliest comparative period.

For more information, see Deloitte publication [IFRS in Focus — IASB amends IAS 12 for deferred tax related to assets and liabilities arising from a single transaction](#).

For an illustrative disclosure see Appendix 2: Note 2.1 *New and amended Australian Accounting Standards that are effective for the current year* on page 257.

### B1.3.4 Global agreement on corporate taxation

#### Background

In October 2021 Australia and over 130 other countries endorsed proposed international corporate tax reforms to address the challenges arising from the digitalisation of the economy. The reforms consist of two 'pillars' that were developed by the OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS):

- **Pillar One** would reallocate taxing rights to countries where goods and services are consumed. This reallocation would only apply where a multinational has global revenues exceeding EUR20 billion per annum and also has a profit-before-tax to revenue ratio exceeding 10 per cent. Extractives and regulated financial institutions would not be subject to this pillar and it is anticipated the Pillar One reforms would be implemented in 2024
- **Pillar Two** would operate to ensure a minimum rate of taxation of 15% and would apply to entities with global revenues of at least EUR750 million. Where entities have operations operating in low tax jurisdictions, the ultimate parent entity would be subject to additional 'top up' tax on low or zero taxed profits. Pillar Two consists of three components, the Income Inclusion Rule (applied at the ultimate parent level), and Undertaxed Profits Rule (UTPR, applied where the ultimate parent's jurisdiction doesn't have an Income Inclusion Rule) and an optional domestic minimum tax (applying the tax at the country level). There are numerous complexities (including where the ultimate parent entity operates in a jurisdiction where Pillar Two rules have not been enacted) and exceptions, and many of the tax calculations rely on accounting information. The new regime is expected to be progressively implemented in 2024 (with the regime expected to commence in some jurisdictions in 2025).

In October 2022 Treasury [consulted](#) on Australian implementation of Pillar Two with the objective that it would "help ensure that multinationals pay their fair share of tax in the jurisdictions in which they operate". The 2023-2024 Federal Budget [confirmed](#) that the Federal Government intends to implement key aspects of the Pillar Two regime, including the 15% global minimum tax for large multinational enterprises with the Income Inclusion Rule applying to income years starting on or after 1 January 2024 and the Undertaxed Profits Rule applying to income years starting on or after 1 January 2025. In addition, a 15% domestic minimum tax would apply to income years starting on or after 1 January 2024.

[Exposure draft legislation](#) was released in March 2024, which contains more information about implementation in the Australian context and confirming the proposed implementation dates. For more information, see [Tax Insights Australia introduces Pillar Two Exposure Draft legislation](#).

#### Which Australian entities might be affected?

The Treasury [consultation paper](#) notes that initial Treasury estimates indicate that no Australian headquartered multinationals would fall into the scope of Pillar One at this time. However, there is a possibility that some entities may ultimately achieve global revenues exceeding EUR20 billion per annum and also have a profit-before-tax to revenue ratio exceeding 10 per cent in the future.

In relation to Pillar Two, it would apply to entities that have global revenue of at least EUR750 million (approximately \$1.2 billion) per annum. As a result, in the Australian context, it may be applicable to many ASX listed entities, large privately held entities and investment entities. Australian subsidiaries of ultimate parent entities that operate in a jurisdiction where the Pillar Two rules have not been implemented may also be affected in future periods.

Although a broad group of entities may be within the regime, a smaller subset of entities would be expected to actually pay top up tax amounts under Pillar Two. However, entities would be expected to document their assessment in order to meet tax law requirements.

#### Accounting considerations

The Pillar Two reforms act to effectively introduce an additional income tax for impacted entities, at least at the consolidated level. Accordingly, in the absence of an exemption, entities would be expected to recognise current and deferred taxes arising from Pillar Two in accordance with AASB 112 *Income Taxes* once any enabling legislation is enacted or substantively enacted. Given the complexities of the Pillar Two rules, determining deferred taxes arising under existing accounting standards would be complex.

Due to this complexity, the AASB released AASB 2023-2 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules* in June 2023<sup>1</sup>, addressing these accounting implications. The amendments prohibit the recognition or disclosure of information about deferred taxes related to Pillar Two income taxes. This exception to the recognition and disclosure of deferred taxes applies immediately on issue on a retrospective basis.

Entities must disclose that they have applied the exception, including at 30 June 2024 (where material). If Pillar Two legislation is substantively enacted (in any jurisdiction in which an entity operates), additional disclosures about the impact of Pillar Two on the entity is required until such time as the legislation applies to the entity. The entity will then separately disclose the amount of current tax arising from Pillar Two taxes.

### **Pillar Two amendments for Tier 2 financial reports**

At its September 2023 meeting, the AASB agreed to finalise amendments to AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* to introduce additional requirements in Tier 2 financial reports for 'Pillar Two' income taxes. The AASB agreed to amendments that align with recent decisions the IASB made in relation to the IFRS for SMEs<sup>2</sup> (on which AASB 1060 is based) and to provide additional explanation of how Tier 2 entities can respond to the requirements for 30 June 2023 and other periods before the amendments became effective.

AASB 2023-4 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules: Tier 2 Disclosures* was subsequently [published](#) on 25 September 2023. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 that end on or after 30 September 2023.

The amendments require Tier 2 entities to state they have applied the exception to recognising and disclosing information about deferred taxes related to Pillar Two income taxes and also disclose its current tax expense related to Pillar Two income taxes.

### **Preparing for financial statement disclosures**

Entities currently assessing the potential impacts of the Pillar Two regime should understand the disclosures required under the amendments and ensure sufficient information is collated to provide the necessary disclosures once the disclosures become effective and enabling legislation is substantively enacted.

In particular, entities are required to state that they have applied the exception from the recognition of deferred taxes arising from the Pillar Two reforms in financial statements finalised after the amendments were made (in late June 2023). Accordingly, this information will need to be disclosed in financial reports for annual reporting periods ending on 30 June 2024.

In addition, entities with subsidiaries in jurisdictions where Pillar Two legislation has been substantively enacted will need to disclose the impact of Pillar Two, even if Pillar Two legislation has not been substantively enacted in Australia by 30 June 2024. This requires the disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Pillar Two income taxes arising from Pillar Two legislation, or alternatively, a statement that the information is not known or reasonably estimable.

Furthermore, where material, entities that are aware of known or reasonably estimable information about the impact of Pillar Two may wish to include disclosures in their 30 June 2024 financial reports even though the jurisdictions in which the entity operates have not substantively enacted Pillar Two legislation.

More information:

- [Clarity publication](#) *Responding to Pillar Two*
- [iGAAP in Focus](#) *IASB proposes amendments to IAS 12 to introduce a temporary exception from accounting for deferred taxes arising from OECD Pillar Two model rules*
- [Tax Insights](#) *OECD inclusive framework publishes Pillar Two global minimum tax model rules*
- [Tax Insights](#) *OECD Pillar Two: Information return and safe harbours* (January 2023)
- [Deloitte tax@hand](#): *OECD releases Pillar Two administrative guidance* (February 2023)
- [Deloitte tax@hand](#) *New OECD administrative guidance provides additional detail on Pillar Two compliance* (December 2023).

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<sup>1</sup> The IASB released the equivalent *International Tax Reform – Pillar Two Model Rules* in late May 2023.

<sup>2</sup> The IASB released *International Tax Reform – Pillar Two Model Rules – Amendments to the IFRS for SMEs* on 29 September 2023. The IASB amendments are consistent with, but worded slightly differently to, the amendments in AASB 2023-4.



### B1.3.5 Recent IFRIC agenda decisions

IFRIC has released a number of finalised agenda decisions, including those highlighted below. Entities should consider whether they are impacted by any IFRIC agenda decisions and whether they need to change their accounting policies (noting entities are entitled to 'sufficient time' to do so):

- **Definition of a lease - substitution rights (IFRS 16 Leases) (April 2023):** The [agenda decision](#) deals with a fact pattern where a customer enters into a 10 year contract with a supplier for the use of 100 similar new assets, being batteries used in electric buses. The supplier can substitute the batteries, subject to compensation for lost revenue and costs. However, the supplier would not benefit economically from substituting a battery that has been used for less than three years. The agenda decision concludes that each battery is an 'identified asset' for the purposes of IFRS 16 and further determined the supplier did not have a substantive right to substitute a battery during the period of use. The application of the lease definition and substantive substitution rights requirements of IFRS 16 (AASB 16) are fact specific and can be complex in practice
- **Lessor forgiveness of lease payments (IFRS 16 Leases) (October 2022):** The [agenda decision](#) relates to a request about a lessor's application of IFRS 9 and IFRS 16 in accounting for a specific rent concession in which the only change to the lease contract is the lessor's forgiveness of lease payments due from the lessee under that contract. The Committee concluded that, before the rent concession is granted, the lessor measures expected credit losses on the operating lease receivable as required by IFRS 9: 5.5.17. This measurement of expected credit losses includes the lessor considering its expectations of forgiving lease payments recognised as part of that receivable. The Committee further concluded that on the date the rent concession (described in the request) is granted, the lessor applies: (1) the derecognition requirements in IFRS 9 to forgiven lease payments that the lessor has recognised as an operating lease receivable; (2) the lease modification requirements in IFRS 16 to forgiven lease payments that the lessor has not recognised as an operating lease receivable
- **Principal versus agent: software reseller (IFRS 15 Revenue from Contracts with Customers) (May 2022):** The [agenda decision](#) related to a reseller of software licences where, among other things, a manufacturer gives a reseller a right to sell the manufacturer's standard software to customers where the reseller is required to provide pre-sales advice and has discretion in pricing the software licences for sale to customers. Furthermore, software licences are provided by the manufacturer to the customer and the reseller is unable to return licences that are not accepted by the customer to the manufacturer or sell them to other customers. The Committee observed that the conclusion as to whether the reseller is principal or agent depends on the specific facts and circumstances, including the terms and conditions of the relevant contracts. The Committee further observed that the reseller would disclose material accounting policy information, the information required by IFRS 15 (including about its performance obligations) and the judgements made in applying IFRS 15 that significantly affect the determination of the amount and timing of revenue from contracts with customers
- **Demand deposits with restrictions on use arising from a contract with a third party (IAS 7 Statement of Cash Flows) (April 2022):** The [agenda decision](#) is in respect of whether an entity includes demand deposits with restrictions on use as a component of cash and cash equivalents. The Committee concluded that this does not result in the deposit no longer being cash unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash in IAS 7. The Committee also concluded that when relevant to an understanding of its financial position, the entity would disaggregate the 'cash and cash equivalents' line item and present the demand deposit separately as an additional line item.

A list of all recent IFRIC agenda decisions can be found in section B2.7.



## B1.4 Australian specific considerations

Some of the Australian-specific and other related factors that need to be considered in the current reporting season:

### B1.4.1 Accounting implications of recent Australian government initiatives

#### Safeguard Mechanism

On 30 March 2023, the Parliament passed the [Safeguard Mechanism \(Crediting\) Amendment Bill 2023](#). The passage of the Bill is part of the Federal Government's commitment to reduce Australia's greenhouse gas emissions by 43% below 2005 levels by 2030. The amendments became effective from 1 July 2023.

The amendments made by the Bill are complex. In addition, in order to secure passage of the Bill in the Senate, the Government agreed to a number of amendments that may make compliance more burdensome than the initial Bill may have contemplated.

#### *What is the Safeguard Mechanism?*

The Safeguard Mechanism applies to large emitters in the industrial sector and requires them to keep their emissions at or below a 'baseline threshold'. Facilities must reduce their emissions below the threshold and offset any excess by purchasing or surrendering carbon credits.

The mechanism applies to all facilities (i.e. it applies at a facility, not entity, level) with Scope 1 (direct) emissions of at least 100,000 tonnes of CO<sub>2</sub>-equivalent per annum. There are currently around 215 facilities that are subject to the Safeguard Mechanism, which together account for slightly less than 30% of Australia's total greenhouse gas emissions.

Under the changes introduced by the Bill:

- Each facility's baseline threshold will reduce by 4.9% per annum until reporting periods commencing 1 July 2029 (with limited exceptions and some flexibility, and on a rolling five-year basis after that time), with entities using more than 30% of offsets to meet this requirement required to explain to the Clean Energy Regulator their decision for doing so
- A new tradable credit, called a 'Safeguard Mechanism Credit' (SMC), has been introduced, which arises when a facility exceeds its baseline threshold reduction. These can be sold to other facilities subject to the Safeguard Mechanism to allow them to meet their baseline targets
- In addition to SMCs, entities will be able to purchase Australian Carbon Credit Units (ACCUs), with government-held ACCUs being available for purchase at a capped price of \$75 per tonne CO<sub>2</sub>-equivalent (increasing at CPI plus 2% per year)
- In order to achieve the objectives set under the Safeguard Mechanism, Australia's total gross emissions from all facilities will be required to fall from 140 million tonnes to 100 million tonnes in the period to 2030, and also be capped in absolute terms.

#### *Accounting implications*

Entities with a facility that is subject to the revised Safeguard Mechanism will need to consider the impacts as part of financial reporting, including for financial years ending on 30 June 2024.

Examples of accounting impacts that should be considered include:

- **Impairment** – The impacts of the revised mechanism should be forecast in recoverable amount models, including expected payments for carbon offsets and indirect impacts such as expected changes in demand for products. Fair value models may also incorporate the impacts of anticipated capital expenditure expected to be put in place to abate emissions in order to meet the reducing baseline threshold
- **Useful lives and residual values** – The revised requirements may impact the expected useful lives or residual values of plant and equipment and other assets where they are to be replaced, or where facilities are to be exited earlier than expected due to the new requirements. This may also extend to intangible assets arising from business combinations involving facilities subject to the mechanism
- **Provisions** – There may be judgement required in determining when and whether an obligation to offset emissions arises under the new scheme commencing on 1 July 2023. In addition, where the expected exit date from facilities is brought forward, equivalent changes should be made relating to the changes in expected timing of associated restoration and rehabilitation provisions. Onerous contracts may arise where additional costs arising from the mechanism result in the total costs of servicing contracts exceeding the benefits expected to be received under those contracts
- **Intangible assets and inventory** – Intangible assets or inventory may arise from ACCUs and SMCs purchased or generated by the entity. Determining whether intangible assets or inventory is in itself judgemental

- **Government grant accounting** - Judgement needs to be applied to determine the point of recognition for any government grant in relation to SMCs awarded under the scheme, being the point in time there is reasonable assurance that the conditions of the grant will be met
- **Deferred tax assets** – Additional outlays expected in order to meet the decreasing baseline threshold may result in lower forecast taxable income, impacting the measurement of deferred tax assets
- **Employee incentive schemes** – The measurement of existing share-based payment, bonus and other schemes may be indirectly impacted by the scheme, particularly where outcomes are linked to carbon targets or profitability. Carbon-linked targets in share-based payment schemes would generally be considered other performance conditions (non-market) under AASB 2 *Share-based Payment*
- **Expected credit losses** – Entities that have customers that are subject to the Safeguard Mechanism may need to consider whether the new requirements represent a material increase in credit risk in relation to those customers' receivables, which may result in changes to expected credit loss allowances.

### Changes to thin capitalisation rules

In March 2024, as part of a series of measures related to multinational tax, Federal Parliament passed [Treasury Laws Amendment \(Making Multinationals Pay Their Fair Share—Integrity and Transparency\) Bill 2023](#). The amendments, among other things, amend Australia's thin capitalisation regime for most general class entities<sup>3</sup> with retrospective effect for income years beginning on or after 1 July 2023.

#### Overview of the new rules

Broadly, the thin capitalisation regime, also referred to as the "interest limitation rules", operate to restrict a taxpayer's "net debt deductions" in certain circumstances. The regime has operated for some time in Australia, historically operating with the option of a "safe harbour rule" based on a debt:assets ratio test.

Transfer pricing rules and all other interest deduction rules will operate prior to application of the new interest limitation rules. Both the interest rate and the debt quantum could be modified by the transfer pricing provisions prior to application of the provisions. New debt deduction creation rules are to be applied prior to application of the proposed new thin capitalisation rules.

The rules are applied to a tax consolidated group, treated as a notional single entity for tax purposes. "Debt deductions" are broadly defined in the revised regime to encapsulate interest and amounts economically equivalent to interest. Net debt deductions require a netting off of the entity's relevant debt deductions, against assessable income that is broadly interest or economically equivalent to interest. Under the proposed legislation, debt deductions are limited by one of the three following tests:

- A default "Fixed Ratio Test" (FRT). This test will effectively limit net debt deductions to 30% of an entity's tax earnings before interest, tax, depreciation and amortisation (Tax EBITDA), calculated in accordance with new rules in the tax law. In practice, the process to determine an entity's tax EBITDA (and therefore its allowable net debt deductions) will be complicated. However, to simply illustrate this test, if an Australian taxpayer's Tax EBITDA is CU10, the entity's "fixed ratio earnings limit" is CU3, and its net debt deductions are limited to CU3
- A "Group Ratio Test" (GRT). The GRT test allows an entity's net debt deductions to exceed 30% of its Tax EBITDA where it belongs to a global group with a higher ratio of third party interest. To determine this, an entity compares the global group's net third party interest expense against the global group's EBITDA. Those amounts, including the group's EBITDA, will be based off the ultimate parent's audited consolidated financial statements but with some complex adjustments. To simply illustrate this test, if the group to which an Australian taxpayer belongs has third-party interest expense of CU50 and EBITDA of CU100, its group ratio will be 50%. The Australian taxpayer's net debt deductions are limited to 50% of its own Tax EBITDA
- A "Third Party Debt" test (TPDT). Under this test, a taxpayer is able to deduct all of its debt deductions relating to debt that meets (strict) third party debt conditions.

As indicated above, the FRT is the default test that would automatically apply to taxpayers unless they elect otherwise. To apply either the GRT and TPDT instead of the FRT, a taxpayer is required to notify the ATO of its election in each tax year it intends to use the alternate test. Importantly, the TPDT is a one-in-all-in test, and broadly will deem the following entities to have also made the

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<sup>3</sup> General class entities exclude financial entities and authorised deposit -taking institutions (ADIs). Accordingly, financial entities and ADIs are not subject to the new rules and will continue to apply the previous thin capitalisation rules.

choice: associate entities in the same obligor group and entities that are parties to a cross staple arrangement. The taxpayer will default back to the FRT each year unless it continues to elect an alternate test.

Where a taxpayer has applied the FRT and been disallowed debt deductions, the taxpayer would be permitted to carry forward the excess amounts, referred to as "FRT disallowed deductions". The carry forward FRT disallowed deductions operate differently to tax losses, with key features as follows:

- Expiry after 15 years
- Expiry immediately if an entity elects to use the GRT or TPD. If an entity defaults back to the FRT thereafter, FRT disallowed amounts are not reinstated
- If an entity is a company or a trust, the entity must pass a modified version of the company or trust loss rules (i.e. continuity of ownership or business continuity tests for companies and similar relevant tests for trusts) in order to continue to carry forward the FRT disallowed amounts.

Any disallowed deductions when applying the GRT or TPDT are not able to be carried forward (i.e. the carry forward scheme only applies to entities exclusively applying the FRT).

Excess tax EBITDA amounts may be effectively shared by a taxpayer to a "controlling entity" to be included in the controlling entity's own tax EBITDA. Broadly, a controlling entity is an Australian company, trust or partnership that has a controlling interest of 50% or more in another entity. This increases the tax EBITDA of the controlling entity which increases its ability to be able to claim net interest deductions.

The excess tax EBITDA amount of a controlled entity for a year is worked out as the excess of the fixed ratio earnings limit of the controlled entity ( $30\% \times \text{tax EBITDA of the controlled entity}$ ) over the sum of the controlled entity's:

- Net debt deductions for the year (disregarding the possible operation of the FRT)
- FRT disallowed deduction carry forward balance at the end of the prior year.

Practically, this means that where a controlled entity's fixed ratio earnings limit exceeds the permitted debt deductions after the application of the FRT method and after recouping any carry forward FRT disallowed amounts, there should be an excess tax EBITDA amount of the controlled entity.

### **Accounting implications**

FRT disallowed deductions may give risk to future tax deductions, depending on the timing and quantum of net debt deductions in future years. These amounts are recognised as a deferred tax asset to the extent it is probable that future taxable profit will be available against which the unused disallowed deductions can be utilised (AASB 112:34).

Assessing the recognition criteria can be complicated:

- Recognition may be possible where it is probable either that Tax EBITDA will increase sufficiently to allow FRT disallowed deductions to be utilised, or for future net deductions to decrease sufficiently below 30% of future years Tax EBITDA within the 15 year carry forward timeframe
- Entities with carry forward tax losses will also need to consider that those tax losses reduce an entity's future year's Tax EBITDA (and therefore limit net debt deductions) in those years
- An entity will not be able to assume that the existence of taxable temporary differences necessarily supports the recognition of a deferred tax asset arising from FRT disallowed deductions. This is because the tax law would restrict the availability of the FRT disallowed deductions to only when sufficient Tax EBITDA is available to permit their use. This means that an entity will need to consider whether taxable temporary differences will give rise to Tax EBITDA (for example, DTLs on depreciating or amortising assets would not)
- Because FRT disallowed deductions are lost in the event the entity chooses to apply either the GRT or TPDT, the possible use of these methods in future periods may impact recoverability.

Furthermore, where an entity transfers excess tax EBITDA amounts to a controlling entity, the question arises as to whether this creates the transfer of a benefit between the taxpayer and its controlling entity that needs to be accounted for. An entity may generally consider the ability to pass up its excess tax EBITDA to a controlling entity simply an operation of tax law which does not represent a current or deferred tax benefit to the individual taxpayer nor represent the loss of any economic benefit (as all debt

deductions would be allowed prior to pass-up, so nothing is lost by the controlled entity). However, if funding or other arrangements are in place, this may complicate the accounting.

### Changes to franking of dividends

There are two newly legislated measures that may limit franking of dividends in certain situations and were made law through [Treasury Laws Amendment \(2023 Measures No.1\) Act 2023](#) which was passed by Parliament on 16 November 2023:

- **Franked distributions funded by capital raisings.** This measure prevents certain distributions that are funded by capital raisings from being frankable. A distribution is funded by capital raising if (1) the distribution is non consistent with an established practice of making distributions (2) there has been an issue of equity interests and (3) it is reasonable to conclude in the circumstances that the principal effect of the equity issue was to directly or indirectly fund all or part of the distribution and the equity issue had a purpose of funding the distribution. This measure is effective for relevant distributions made on or after 28 November 2023 (the day after the originating Bill received Royal Assent)
- **Off-market buybacks.** This measure aligns the tax treatment of off-market share buy-backs undertaken by listed public companies with the treatment of on-market share buy-backs. Previously, proceeds from an on-market share buy-back were broadly treated as consideration for the disposal of shares, whereas consideration received via an off-market buy-back was split between sale proceeds and a dividend amount (which may be franked). This measure is effective for off-market buybacks occurring on or after 18 November 2022 (the day after exposure draft legislation was [released](#) for public consultation).

Whilst an entity does not recognise its own franking credits for financial reporting purposes, these measures may have indirect impacts, for example, the changes may alter intended capital management plans of an entity, which may affect the capital management disclosures made under AASB 101 *Presentation of Financial Statements*.

AASB 1054 *Australian Additional Disclosures* requires disclosures of imputation credits (franking credits). See note 14. Dividends in Appendix 2 – Australian-specific disclosures for illustrative disclosures.

### Digital games tax offset

The 2021-22 Federal Budget included a refundable Digital Games Tax Offset (DGTO) of 30% which would target the development of transferable skills and position Australia to take a greater share of the global gaming market. The measure (included in [Treasury Laws Amendment \(2022 Measures No. 4\) Bill 2022](#)) was made law on 23 June 2023 and added Division 378 to the *Income Tax Assessment Act 1997*.

The new offset applies retrospectively from 1 July 2022 for Australian resident companies or foreign resident companies with a permanent establishment in Australia. To qualify, there will be a minimum spend requirement of \$500,000 on qualifying Australian games expenditure.

Accounting considerations include:

- As the tax offset is refundable, it may be accounted for as a government grant under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*
- Where government grant accounting is adopted, a credit will be recognised in profit or loss over the periods necessary to match the benefit of the credit with the costs for which it is intended to compensate. Such periods will depend on whether the related costs are capitalised or expensed as incurred for accounting purposes.

### Unlegislated announcements

A number of previously announced proposals included in previous Federal Budgets have not been enacted and are discussed below.

#### **Removal of aged care bed licences from 2024**

Under the unlegislated proposals announced in the 2021-22 Federal Budget, aged care bed licences would be discontinued from 1 July 2024 as part of a series of reforms. The Federal Department of Health subsequently released a [discussion paper](#) in September 2021 dealing with the proposed transition to the new regime. Whilst the focus of the consultation is not on whether the bed licences will be discontinued, the paper has indicated the following:

- A large number of new bed licences remain available to be allocated at no charge in the period until 1 July 2024 and that a large number of provisional places will also be available

- Whilst further measures may be required to mitigate potential risks that may arise from the removal of the licences, currently there are no plans to provide direct compensation to providers for the removal of the licences as the licences were initially provided by the government at no cost.

In October 2022, the Department [released](#) *Places to people – embedding choice in residential aged care – consultation outcomes*, which noted the following:

*“Aged care financial reporting data from June 2021 was analysed to understand the impact of the [Aged Care Approvals Round (ACAR)] removal on balance sheets. Overall, 257 providers (31 per cent) recognised bed licences as intangible assets, including 156 for-profit providers (56 per cent) and 101 not-for-profit providers (22 per cent).*

*There were varying views on the accounting treatment of bed licences. Some providers expressed a preference to immediately impair the value of bed licences (to zero) to concentrate the financial statements impacts to a single year. Whereas other providers would prefer to amortise the recognised value of bed licences over a longer period to spread the financial statement impacts.”*

The Federal Department of Health and Aged Care [continues to consult](#) on the final form of the new arrangements, which will replace assigned bed licences with an assigned place.

### **Petroleum Resource Rent Tax (PRRT) reforms**

One of the measures of the [2023-2024 Budget](#) handed down on 9 May 2023 was the Petroleum Resource Rent Tax (PRRT) reforms which proposes to limit deductible expenditure to the value of 90% of PRRT assessable receipts in respect of each project.

On 21 August 2023 Treasury released [exposure draft](#) legislation giving effect to this measure and submissions closed on 15 September 2023.

The new measures are intended to operate for income years commencing on or after 1 July 2023.

The measures are contained in [Treasury Laws Amendment \(Tax Accountability and Fairness\) Bill 2023](#) which was introduced to Parliament on 16 November 2023 but have not yet been enacted. On 30 November 2023 the Bill was referred to the Senate Economics Legislation Committee for inquiry and report by 18 April 2024. As at the date of this publication (9 April 2024) the Bill is before the Senate.

If substantively enacted, these proposals may impact deferred tax accounting for PRRT and give rise to impairment considerations in some cases.

### **Limiting deductions for certain payments for intangible assets**

The October 2022 Federal Budget confirmed the Federal Government’s intention to proceed with the introduction of an anti-avoidance rule to prevent significant global entities (entities with global revenue of at least \$1 billion) from claiming tax deductions for payments made directly or indirectly to related parties in relation to intangibles held in low- or no-tax jurisdictions. The [budget papers](#) clarify that for the purposes of this measure, a low- or no-tax jurisdiction would be a jurisdiction with a tax rate of less than 15 per cent or a tax preferential patent box regime without sufficient economic substance. The measure would apply to payments made on or after 1 July 2023. Treasury consulted on [exposure draft legislation](#) to implement the measure in March 2023.

If substantively enacted, this measure would impact the calculation of current taxes (as denied payments would effectively be ‘permanent differences’) and may impact the recognition of deferred taxes (particularly where carried forward losses become probable due to increased tax profits due to the denied tax deductions).

There is also uncertainty as to the interaction of this measure with the OECD ‘Pillar Two’ reforms which the Federal Government has also announced will be implemented in Australia (see section B1.3.4).

### **Public reporting of tax information**

Under further measures forming part of the Federal Government’s proposals for improving tax transparency by multinational entities, significant global entities would be required to provide for public release of certain tax information on a country by country (CbC) basis, for disclosure by the ATO. Treasury released [exposure draft legislation](#) to implement this measure in April 2023. Subsequently on 24 February 2024, Treasury released [further exposure draft legislation](#) (which was open for comment

until 5 March 2024). The measures are intended to apply for income years commencing on or after 1 July 2024 (a year later than originally announced).

Some of the information proposed to be disclosed is based on information included in the ultimate parent's consolidated financial statements. Affected entities should ensure systems are in place to prepare the required information.

### **Considerations arising from the 2023-2024 Federal Budget**

The [2023-2024 Budget](#) handed down on 9 May 2023 focused on climate transition and support measures for individuals and small business, and accordingly, there are not a large number of widely impacting measures announced that will have direct corporate reporting consequences.

However, the following measures may affect some entities:

- Superannuation – the proposals to require mandatory superannuation contributions to be paid on payday (rather than quarterly) from 1 July 2026 may bring forward cash outflows, impacting cash flows forecasts used in recoverable amount models for impairment and have impacts on liquidity risk management and similar disclosures. These impacts will be most prevalent in industries with a high proportion of expenditure on employee benefit costs<sup>4</sup>
- Insurance – the proposal to align tax laws with AASB 17 *Insurance Contracts* will impact current and deferred tax accounting for insurers once substantively enacted. Additionally, it raises questions of how to forecast future taxable profits for the purposes of assessing the recoverability of any net deferred tax assets in the period prior to substantive enactment. However, if the legislation containing the measures is made law by the end of June 2024, substantive enactment will have occurred at that time and the revised requirements would be taken into account in the measurement of current and deferred taxes<sup>5</sup>
- Water market reform – the proposal for a new Water Markets Website would see live water market updates for the first time, which may have considerations for whether water right intangible assets have an active market under AASB 138 *Intangible Assets* (entities may need to wait for legislation and ASIC perspectives before developing views)
- Road user charge – the announcement that the heavy vehicle road user charge will be increased annually by 6% on 1 July in 2023, 2024 and 2025 may impact freight pricing, and this should be considered in cash flow forecasts. Additionally, this measure may change the mix of transport modes (such as substitution of rail transport for road transport) having further indirect impacts on forecasts
- Housing incentives – the proposals to increase the depreciation rate for build-to-rent projects from 2.5% p.a. to 4% p.a. would often result in additional deferred tax liabilities as assets are depreciated
- Electrification incentive – the additional 20% deduction for electrification spending by entities (with annual turnover of less than \$50 million) may be accounted for as either a government grant or an income tax incentive (which would give rise to a 'permanent difference')<sup>6</sup>
- Instant asset write off – small business with a turnover of less than \$10 million will be able to immediately deduct the full cost of eligible assets of under \$20,000 that are first used or installed ready for use between 1 July 2023 and 30 June 2024, which will give rise to a deferred tax liability to the extent of any capitalised asset<sup>6</sup>.

For more information about the 2023-2024 budget, see the [Treasury website](#) and our dedicated [Federal Budget](#) page.

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<sup>4</sup> Treasury released a [consultation paper](#) on this measure on 9 October 2023, with submissions closing on 3 November 2023.

<sup>5</sup> Treasury released a [consultation paper](#) on this measure on 10 July 2023 and submissions closed on 21 July 2023. The measures were subsequently introduced into Parliament as part of [Treasury Laws Amendment \(Support for Small Business and Charities and Other Measures\) Bill 2023](#). In March 2024, the Bill was passed by the Senate with amendments (to other measures in the Bill) and therefore returned to the House of Representatives for confirmation before receiving Royal Assent and becoming law. As at the date of finalisation of this publication (9 April 2024) the Bill has not yet been made law.

<sup>6</sup> This measure is included in [Treasury Laws Amendment \(Support for Small Business and Charities and Other Measures\) Bill 2023](#) which was passed by the Senate with amendments (to other measures in the Bill) in March 2024 and therefore returned to the House of Representatives for confirmation before receiving Royal Assent and becoming law. As at the date of finalisation of this publication (9 April 2024) the Bill has not yet been made law.



## Other considerations

Recent government policy initiatives seek to implement other measures which can impact various entities or have an impact on overall economic outcomes. The effects of these initiatives may need to be considered in such areas as:

- **Substantive enactment** – The current and deferred tax implications of the legislative changes must be recognised where the entity's reporting date is after substantive enactment of the enabling legislation of each measure. Where the legislation has not been enacted at the entity's reporting date but is substantively enacted prior to signing of the financial statements, subsequent events disclosure may be required, rather than amending current and deferred tax accounting reflected in the financial statements
- **Cash flow forecasts** – Cash flows used in recoverable amount models when testing impairment under AASB 136 *Impairment of Assets* may require the assessment of various scenarios, and government information and announcements may impact some or all such scenarios. For example, the proposal to implement 'pay day super' would bring forward cash flows for entities (particularly relevant for entities with larger workforces)
- **Expected credit losses (ECLs)** – The development of ECLs in respect of loans and other receivables should consider the known and macro-economic impacts of the latest budgetary information (and any subsequent Mid Year Economic and Fiscal Outlook)
- **Employee implications** – The announced changes to government support programmes (including paid parental leave) and superannuation arrangements (e.g. the legislated superannuation guarantee levy increase to 12% over the coming years) would need to be taken into account in the measurement of employee liabilities and cash flow forecasts where relevant.

### B1.4.2 ASIC

#### ASIC focus areas for financial reporting

In December 2023, ASIC [announced](#) its focus areas for 31 December 2023 financial reporting.

Consistent with ASIC's recent move to an integrated financial reporting and audit surveillance process (discussed further below), the focus areas include both financial reporting and auditing aspects of the financial reporting process. Furthermore, the focus areas highlight elements of financial reports and audits where ASIC has identified the most significant and common instances of non-compliance with Australian Accounting Standards or issues that are emerging as more significant challenges for preparers.

The key overall considerations raised by ASIC include:

- An emphasis on directors ensuring adequate resources, skills and expertise is applied in the financial reporting process and that underlying estimates and assessments are reasonable and supportable. The detailed focus areas call out a need for "robust position papers with appropriate analysis and conclusions referencing relevant accounting standards"
- A need for auditors to focus professional judgement and scepticism on areas of the financial report preparation process most reliant on estimates and are uncertain
- The importance of clear disclosures about uncertainties, key assumptions and sensitivity analyses to investors. ASIC notes uncertainties may change from period to period and documenting and updating the information supporting the judgement is expected.

Consistent with the recently released [integrated surveillance report](#) (discussed in further detail below), the key focus areas highlighted by ASIC include:

- **Impairment and asset values** – impairment of non-financial assets, values of property assets, expected credit losses on loans and receivables, financial asset classification and values of other assets (including the probability assessment for deferred tax assets)
- **Provisions** – adequacy of provisions for matters such as onerous contracts, make good provisions under leases, mine site restoration and restructuring
- **Events occurring after year end and before completing the financial report** – events after year end should be reviewed to determine whether they relate to the current reporting period or new conditions requiring disclosure
- **Disclosures in the financial report and operating and financial review (OFR)** – directors and preparers "should put themselves in the shoes of investors" and ensure information responds to their needs. Particular attention is drawn to matters such as the disclosure of uncertainties, current and non-current classification (including debt covenant compliance) and disclosure in the OFR of significant business risks, climate change risk and cyber security risks. ASIC further highlights that non-IFRS profit measures (in the OFR and market announcements) should not be misleading (see [Regulatory Guide 230 Disclosing non-IFRS financial information](#))

- **AASB 17 Insurance Contracts** – insurers and non-insurer entities that have contracts that meet the definition of an insurance contract under AASB 17 will need to apply the recognition and measurement requirements of AASB 17 and provide disclosures on changes in accounting policies on the adoption of AASB 17.

In terms of the detailed focus areas, changes in December 2023 compared to June 2023 include:

- Discussion of the impacts of changing circumstances, uncertainties and risk has been generalised, with the removal of example impacts that should be considered
- Removal of the discussion of restructured lease agreements and rental concessions in relation to the values of property assets
- Removal of the impacts of AASB 17 prior to its adoption (as application is mandatory from 31 December 2023) and removal of specific areas for private health insurers to consider
- Removal of a focus of the disclosure of the impact of Pillar Two tax reforms where an entity has operations in low-tax jurisdictions.

For more information, see [ASIC media release 23-343MR](#) *ASIC highlights focus areas for 31 December 2023 reporting* and the related [financial reporting and audit focus areas web page](#).

At the date of this publication (9 April 2024), ASIC has not released its focus areas for 30 June 2024 financial reports. We expect that the focus areas will be largely consistent with prior periods, covering recoverability of assets, adequacy of provisions, classification of debt as current or non-current and disclosures of material business risks, climate change risk and cyber security risks. Given recent ASIC announcements around restatements involving revenue, we expect that revenue recognition, including whether an entity is acting as agent or principal, may also be an additional focus area for June 2024.

ASIC's 30 June 2024 focus areas are expected to be announced on the [ASIC website](#) in the near future.



### Further guidance

For more information about ASIC's regulatory expectations and focus areas, see our [Clarity publication](#) *ASIC releases results of first integrated surveillance program and December 2023 focus areas*.

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## ASIC's modified regulatory approach and financial report reviews

In late August 2023, ASIC [released](#) its *Corporate Plan 2023-27 – Focus 2023-24*, which follows a new ASIC organisation structure implemented in July 2023.

The corporate plan outlines ASIC's strategic priorities for the four-year period 2023-2027 and its plan of action for the 2023-2024 financial year.

From a corporate reporting perspective, the following priorities are important for boards, preparers and auditors to consider:

**Environmental, social and governance (ESG)** – ASIC will continue proactive supervision over entities' ESG disclosures (including greenwashing), undertaking enforcement actions where necessary, but supporting industry in adapting to the new climate-related financial disclosure requirements. See our [Clarity publication](#) *Action now for mandatory climate reporting in Australia*

**Financial reporting monitoring** – consistent with ASIC's digital strategy finalised in July 2022 (and outlined in the [2022-23 corporate plan](#)), ASIC intends to use data and natural language processing to enhance its ability to identify risks in financial reports and audits. ASIC will also continue its focus on information disclosed in operating and financial reviews, with emphasis on risk management strategies and future prospects. See our [Clarity publication](#) *ASIC releases results of first integrated surveillance program and December 2023 focus areas*

**Non-lodgement of financial reports** – ASIC intends to take action, including enforcement action, against companies and Australian Financial Services (AFS) licensees who do not comply with obligations to lodge financial reports. For assistance with understanding reporting obligations, see our [Australian financial reporting guide](#)

**New superannuation fund financial reporting and audit requirements** – ASIC will monitor the implementation of new obligations on registrable superannuation entities (through their trustees) to file financial reports, directors' reports and audit reports with ASIC and also publish them on the fund's website. For more information, see our [June 2024 superannuation entity model financial report](#).



## ASIC media releases relating to financial reporting matters

ASIC has noted a number of entities that have adjusted financial reports following ASIC's review of annual and half-year reports over recent reporting periods. These adjustments are highlighted below:

### Past events must have occurred to support the recognition of assets and/or liabilities

ASIC reminded entities that a past event must have occurred prior to the end of the reporting period to support the recognition of assets and/or liabilities, specifically, if revenue had not been earned, a receivable should not be recognised

### Non-recognition of provisions on basis of not being able to reliably measure the provision

ASIC noted that the use of estimates is an essential part of the preparation of financial statements and does not undermine their reliability and accordingly, "[e]xcept in extremely rare cases, entities will be able to determine a range of possible outcomes and can therefore make an estimate of the obligation that is sufficiently reliable to use in recognising a provision".

ASIC's focus areas for financial reports have included a focus on provision recognition and measurement of provisions for some time, and this [media release](#) is consistent with this focus area.

### Wider disclosure of the potential impacts of contingent liabilities

ASIC noted that entities involved in more complex and prolonged matters (such as legal disputes) should continually assess their total possible exposures for accuracy and completeness.

### Queries on expected credit losses go beyond financial institutions

ASIC raised concerns that there may not have been an appropriate assessment of whether there was any significant increase in credit risk. This area remains an ASIC focus area and entities should consider all facts and circumstances when calculating expected credit losses.

### Including loan establishment fees in the effective interest rate

ASIC was concerned that total loan establishment fees were being recognised upfront rather than being treated as part of the loan's effective interest rate under AASB 9 *Financial Instruments*. Entities should ensure that amounts associated with the granting of loans are appropriately classified and treated appropriately.

### Own market capitalisation not a measure of recoverable amount

ASIC reminded preparers of financial statements and their auditors that:

- An entity's market capitalisation will generally not represent an appropriate fair value estimate for its underlying business
- 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.

AASB 136 *Impairment of Assets* notes an indicator of impairment exists where the carrying amount of an entity's net assets is more than its market capitalisation.

### Non-IFRS measures such as 'profit before impairment and fair value movements' not appropriate on the face of the income statement

ASIC Commissioner Danielle Press noted that "ASIC's regulatory guidance in this area is long-standing and companies have been on notice about the use of non-IFRS profit information for many years. Preparers of financial information are reminded that non-IFRS profit measures may not be included in financial statements."

### Asset valuation and provisions related to assets held for sale

ASIC raised queries about an entity's interest expense recognised on disbursement funding arrangements with recovery rights which was offset against interest income intended to be claimed from personal injury clients and class action members. However, the income and expense should have been separately disclosed. Further, additional detail was provided in a subsequent report about the accounting policy for unbilled disbursements, a major asset on the entity's balance sheet.

Entities should ensure they comply with the disclosure requirements in AASB 7 *Financial Instruments: Disclosures* so that users of financial reports can properly understand transactions and the associated risks. Further, material accounting policy information should be disclosed for users of financial statements to understand material information in the financial statements.

### Business risk including sustainability-related risks disclosures

ASIC raised queries in relation to the adequacy of business risk disclosure in the operating and financial review (OFR). Furthermore, ASIC [separately announced](#) that a further six entities disclosed material business risks in their December 2022 half-year reports in response to ASIC enquiries. This brings the total number of entities that have made additional business risks disclosure to 17 (as at cut-off date 9 April 2024 of this publication).

In the separate announcement, ASIC noted:

*“ASIC reminds directors of the importance of a high-quality operating and financial review, including disclosure of material risks that may affect the achievement of a listed entity’s strategies and prospects. Directors must ensure that they provide investors with useful and meaningful information about the impact on current and future performance of changing and uncertain market conditions.”*

ASIC encourages investors and other interested parties to review the additional materials disclosed by the entities in their OFRs and notes that [Regulatory Guide 247](#), *Effective disclosure in an operating and financial review* provides guidance for directors of listed entities on providing useful and meaningful information to investors in the OFR.

In relation to sustainability-related risks, in a further [media release](#) ASIC encourages investors and other interested parties to review the additional materials disclosed by the ISSB and Task Force of Climate-related Financial Disclosures (TCFD) frameworks.

ASIC noted that:

*“As the regulatory regime for disclosing sustainability-related risks develops, it is important to maintain market integrity and for entities to prepare for mandatory reporting changes. If not already doing so, ASIC encourages directors to voluntarily report in line with the Task Force of Climate-related Financial Disclosures (TCFD) framework and to start engaging with the ISSB standards.”*

### Improving of disclosure of unbilled disbursements and disbursements funding interest

ASIC raised queries about an entity’s interest expense recognised on disbursement funding arrangements with recovery rights which was offset against interest income intended to be claimed from personal injury clients and class action members. However, the income and expense should have been separately disclosed. Further, additional detail was provided in a subsequent report about the accounting policy for unbilled disbursements, a major asset on the entity’s balance sheet.

Entities should ensure they comply with the disclosure requirements in AASB 7 *Financial Instruments: Disclosures* so that users of financial reports can properly understand transactions and the associated risks. Further, material accounting policy information should be disclosed for users of financial statements to understand material information in the financial statements.

### Change in revenue recognition policy from principal to agent

An entity changed its revenue recognition policy for the sale of certain software products from principal to agent after ASIC raised concerns. This resulted in the entity restating its financial statements to recognise net earnings on those sales as opposed to recognising gross revenue and the related expense.

As noted by ASIC:

*“When an entity acts as an agent and recognises all the revenue in relation to a product or service it on-sells, it can create a misleading impression about the size of a business and the potential influence it has on its own profitability.”*

Entities should ensure they understand the terms of revenue contracts and carefully apply the requirements in AASB 15 *Revenue from Contracts with Customers*, disclosing any significant judgments made in determining whether the entity is a principal or as an agent for each good or service (performance obligation) promised to a customer.

## ASIC findings from 2022-2023 financial reporting and audit surveillance

On 18 October 2023, ASIC [released a report](#) outlining the outcomes of its financial reporting and audit surveillance for the year ending 30 June 2023.

### What is the background to the report?

The report, *Annual financial reporting and audit surveillance report 2022-23*, is the first delivered under a new approach to surveillance adopted by ASIC in the previous 12 months. ASIC now releases a single report covering financial reporting and auditing matters in respect of each 12 month period, whereas previously ASIC would release media releases in respect of its financial reporting surveillance for each June and December reporting period. Additionally, ASIC would release an annual inspection report over its audit surveillance.

The new approach reflects changes in the way in which ASIC undertakes its surveillance – reflecting a data-led risk-based approach that integrates financial reporting and audit surveillance.

ASIC has indicated that the new approach uses market data, reported financial information, ASX announcements, ASIC intelligence, section 311 notices lodged by auditors, external party misconduct reports and specific industry considerations. In addition, ASIC will focus audit surveillance where entities change their financial reporting in response to ASIC’s financial reporting surveillance.

The new approach is consistent with previous ASIC’s announcements and the [ASIC Corporate Plan 2023-27 – Focus 2023-24](#), which notes a focus on data and natural language processing in financial reporting and audit surveillance.

For the first time, the report also provides more information about the industries subject to surveillance, and ASIC’s considerations on how it develops its focus areas.

### What were the outcomes?

The report notes that ASIC reviewed 180 financial reports – 156 listed entities and 24 large unlisted entities considered to be ‘of public interest’ – covering years ended from 31 March 2022 to 28 February 2023.

ASIC contacted 55 entities and raised 93 issues, resulting in 25 findings covering 29 issues where ASIC raised a media release because the company subsequently amended its financial report or financial information. This resulted in a review of 15 audit files.

The table below summarises the issues raised and the outcomes, with commentary where relevant:

Topic area	Issues raised	Findings	Open surveillances	Comments
<b>Operating and financial review</b>	33	19	1	Many entities still need to significantly improve the information they report in the OFR for the benefit of investors and other users, particularly those that are newly listed, regularly raise funds, or have more complex business models.
<b>Impairment and asset values</b>	20	3	2	Directors (including members of audit committees) should question the need for, and adequacy of, asset impairment and the adequacy of related disclosures.
<b>Revenue recognition</b>	14	3	-	ASIC’s focus included the disclosure of accounting policies.
<b>Financial reporting disclosures</b>	7	-	-	Issues raised included disclosures on going concern, operating segments and non-audit service fee disclosures.
<b>Provisions</b>	6	1	2	ASIC focused on the need for, and adequacy of, provisions.
<b>Contingent liability disclosures</b>	3	1	-	ASIC focused on insufficient contingent liability disclosure and inappropriate exclusions of possible obligations.
<b>Non-IFRS information</b>	2	2	-	
<b>Investments</b>	3	-	-	
<b>Off-balance sheet</b>	3	-	1	

Topic area	Issues raised	Findings	Open surveillances	Comments
Debt classification	2	-	-	
	<b>93</b>	<b>29</b>	<b>6</b>	

Source: ASIC report, Deloitte analysis.

The report also for the first time included a breakdown of the top ten industries where reviews were undertaken. The table below outlines those industries, the outcomes and the specific focus areas in ASIC's reviews:

Industry	Reviews	Surveillances	Findings	Focus areas in the reviews
Materials	35	5	2	Impairment (due to commodity price volatility) and sustainability and climate risk disclosures
Software and services	19	6	4	Revenue recognition, accounting policy disclosure, cyber risk disclosure
Insurance	14	-	-	Transition disclosures for AASB 17 <i>Insurance Contracts</i> <sup>7</sup>
Capital goods	11	5	3	Revenue recognition (due to complex contractual arrangements) and accounting policy disclosure
Media and entertainment	12	5	3	Impairment risks and revenue recognition
Energy	8	3	-	Impairment and rehabilitation risks and disclosures about industry changes and sustainability (such as climate change and greenwashing)
Consumer services	9	5	2	Macroeconomic impacts (consumer sentiment, changes in interest rates, supply chain risks and changes to workplace patterns)
Commercial and professional services	10	4	1	
Food, beverage and tobacco	9	3	1	
Retailing	9	1	-	
	<b>136</b>	<b>37</b>	<b>15</b>	
<i>Proportion of total</i>	76%	67%	52%	

Source: ASIC report, Deloitte analysis.

In terms of audit surveillance, ASIC's 15 surveillances led to findings being reported to 11 entities and nine audit firms. Four audit surveillances were closed with no findings. The findings covered impairment of non-financial assets and asset values, revenue and receivables, inventory and costs of goods sold, provisions and investments and financial instruments. Other audit findings included supervision and review of component auditor work, compliance with laws and regulations and regulatory compliance covenant testing, and the non-evaluation of an entity's departure from accounting standards.

### ASIC's key messages to directors and preparers

The report notes that directors (including audit committees) and preparers need to support the audit process by ensuring:

- Disclosures in the operating and financial review (OFR) reflects the entity's individual circumstances
- Management should produce robust position papers to support quality and timely financial information – and these should be prepared for directors and audit committees, particularly for areas with significant estimation uncertainty and judgement
- Adequate resources, skills and expertise is in place
- Effective and clear communication with the auditor

<sup>7</sup> ASIC undertook a targeted surveillance of entity's disclosure of the expected impacts of AASB 17 *Insurance Contracts*, reviewing disclosures made by 14 insurers. ASIC noted that six insurers did not disclose any estimate of financial impact of AASB 17.

- A robust auditor selection process is in place.

#### **ASIC's expectations for OFRs**

The report also notes ASIC's increased focus on disclosures in the OFR, "recognising the important role that narrative disclosures play in complementing the financial report. Increased uncertainty in recent times has resulted in a greater expectation from investors for clear disclosure of the underlying drivers of results, as well as risks, management strategies and future prospects".

The report includes a number of factors that should be considered to improve OFR disclosures and comply with legal requirements:

- **Self-contained disclosures** - entities should ensure sufficient commentary is included as part of the directors' report (even if commentary about financial performance, strategies and risks is contained in other reports such as the CEO or Chair reports) so that the OFR is a self-contained section in the annual report. Information cannot be included solely by cross-referencing to other reports
- **Newly listed companies** - newly listed entities may not realise the effort required in writing an OFR. Such entities should consider relevant content in their initial public offering document and other investor presentations and ensure the OFR does not omit information and is consistent with these documents
- **Key transactions with no comments** - the OFR should "tell the story" about the current and future impacts on financial position and performance of key transactions and recognise that carrying out the entity's strategy has associated risks
- **Unique/complex business model/industry** - the OFR should provide an adequate explanation of the key features of the entity's business model and industry and disclosures should be benchmarked against industry peers
- **Fundraising activity** - the OFR should be consistent with, and update, the minimum statutorily required disclosures and risks included in fundraising documents, particularly in relation to business models and risks.

These factors are consistent with ASIC's focus on the use of data as part of its surveillance activities and makes consistency of information even more important. In other words, the financial report, OFR and broader financial report must be consistent with other information released by the entity and be consistent with peer companies.

#### **More information**

For more information see:

- [ASIC Media Release 23-278MR](#) ASIC releases first integrated financial reporting and audit surveillance report for 12 months ending 30 June 2023
- [ASIC Report REP 774](#) Annual financial reporting and audit surveillance report 2022-23.

### **B1.4.3 Consolidated entity disclosure statement**

On 27 March 2024, Parliament passed [Treasury Laws Amendment \(Making Multinationals Pay Their Fair Share – Integrity and Transparency\) Bill 2023](#). The bill amends the Corporations Act to require public companies to include a "consolidated entity disclosure statement" as part of their financial report. The new requirements apply to financial years commencing 1 July 2023.

The amendments require public companies that are required to prepare consolidated financial statements to include the following information in their consolidated entity disclosure statement about each entity that is part of the consolidated entity at the end of the financial year:

- The entity's name
- Whether the entity is a body corporate, partnership or trust
- Whether the entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity
- Where the entity was incorporated or formed (if the entity is a body corporate)
- Where the entity is a body corporate with share capital, the percentage of the entity's issued share capital (excluding any part that carries no right to participate beyond a specified amount in a distribution of either profits or capital) held directly or indirectly, by the public company
- Whether the entity was an Australian resident or a foreign resident within the meaning of the *Income Tax Assessment Act 1997*
- If the entity is a foreign resident (as described in the above point), a list of each foreign jurisdiction in which the entity was a resident for the purposes of the law of the foreign jurisdiction.

Where a public company is not required to prepare consolidated financial statements under Australian Accounting Standards, a consolidated entity disclosure statement is not required, but a statement that the entity is not required to prepare consolidated financial statements is required (rather than including information about each subsidiary). This statement is the consolidated entity disclosure statement for such a company.

The directors' declaration is required to include a statement about whether, in the directors' opinion, the consolidated entity disclosure statement is true and correct. In addition, for listed public companies, the chief executive officer and chief financial officer must include a statement in their declaration to the directors that the consolidated entity disclosure statement is true and correct.

As the consolidated entity disclosure statement is part of the financial report, it is subject to audit.

Entities must act quickly to collate and verify the information to be included in the consolidated entity disclosure statement and auditors need to prepare to audit the new statement. There are also a number of interpretative matters arising from the requirements.



**For more information see:**

- [Clarity publication \*New consolidated entity disclosure statement\*](#)
- [Consolidated entity disclosure statement on page 289 for an illustrative disclosure of the statement.](#)

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#### **B1.4.4 New financial reporting requirements for registrable superannuation entities (RSEs)**

On 23 June 2023 the [Treasury Laws Amendment \(2002 Measures No.4\) Bill 2022](#) was made law resulting in the [Treasury Laws Amendment \(2022 Measures No. 4\) Act 2023](#). One of the measures in the Act is to bring financial reporting by RSEs into the Corporations Act, with effect for financial years beginning on or after 1 July 2023.

Under the new requirements, RSEs need to:

- Prepare and lodge with ASIC an audited financial report and a directors' report (including a remuneration report) within three months of the end of each financial year
- Make the financial report, directors' report and auditor's report available on the entity's website and provide those reports to members on request
- Include details of how to access the reports together with the notice of annual members' meeting.

Prior to these amendments, there were no specific requirements for RSEs to lodge financial reports with ASIC or make them publicly available to members, although many RSEs did prepare financial reports and made them available on their website.

In addition, on 7 July 2023 the [Treasury Laws Amendment \(Financial Reporting and Auditing of Registrable Superannuation Entities\) Regulations 2023](#) was made. The regulations give effect to certain details, e.g. details of disclosures required in the remuneration report, and amendments to the notice of annual members' meeting.

As a result of these changes, RSEs will be treated in a similar manner to listed companies for financial reporting purposes and have the same reporting deadlines as listed companies. In addition, the RSE financial reporting and auditing framework would move to the Corporations Act. The 30 June 2024 annual reporting period will be the first-time superannuation entities will need to implement the new requirements.

The introduction of these new financial reporting requirements represents a new opportunity to revisit RSE's overall reporting to make it more meaningful for members and provide a further source of communication with existing and potential members.

For more information see our 30 June 2024 Superannuation entity model financial report which is available at [www.deloitte.com/au/models](http://www.deloitte.com/au/models).

## B1.5 Sustainability (including climate) financial disclosure developments

### B1.5.1 Global developments

Following the formation of the International Sustainability Standards Board (ISSB) in 2021, a rapid exposure and redeliberation process led to the issue of the new board's inaugural IFRS Sustainability Disclosure Standards in late June 2023:

- **IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information** - This [Standard](#) requires the disclosure of information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as the entity's "prospects"). The Standard includes conceptual foundations, core content, general requirements and requirements around judgements, uncertainties and errors. Many of these conceptual foundations and general requirements are broadly consistent with the IASB *Conceptual Framework for Financial Reporting*, IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* pronouncements for financial reporting. Sustainability-related financial disclosures would be required to be published at the same time as the financial statements (with some transitional relief)
- **IFRS S2 Climate-related Disclosures** - This [Standard](#) is the first thematic IFRS Sustainability Disclosure Standard covering the disclosure of climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as the entity's "prospects"). Disclosure requirements cover governance, strategy, risk management and metrics and targets. The Standard was based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and includes industry-based metrics tailored to industry classifications derived from the industry-based Sustainability Accounting Standards Board (SASB) Standards (see further discussion below).

IFRS S1 and IFRS S2 are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted (so long as both Standards are applied at the same time).



**The analysis in this section deals with IFRS Sustainability Disclosure Standards IFRS S1 and IFRS S2 as issued by the ISSB. The AASB has released an exposure draft of proposed Australian Sustainability Reporting Standards (ASRSs), which are proposed to be based on IFRS S1 and IFRS S2, but with certain differences. The AASB's exposure draft is discussed in the section titled *Standard-settingB-37* in section B1.5.2.**

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## General requirements for sustainability-related financial information (IFRS S1)

### Background and scope

IFRS S1 is inspired by the IASB *Conceptual Framework for Financial Reporting*, IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* pronouncements for financial reporting. It sets out the overall objective for an entity to disclose sustainability-related financial information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The Standard requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.

An entity applies IFRS S1 in preparing and reporting sustainability-related financial disclosures in accordance with IFRS Sustainability Disclosure Standards. An entity may apply IFRS Sustainability Disclosure Standards whether the entity's related financial statements are prepared in accordance with IFRS Accounting Standards or another accounting framework.

### Conceptual foundations

For sustainability-related financial information to be useful, it must be relevant and faithfully represent what it purports to represent. The usefulness of sustainability-related financial information is enhanced if the information is comparable, verifiable, timely and understandable. The following conceptual foundations are outlined in IFRS S1:

- **Fair presentation** – requires the faithful representation of sustainability-related risks and opportunities in accordance with the principles set out in IFRS S1
- **Materiality** – all material information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects must be disclosed. In the context of sustainability-related financial disclosures, information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports, which include financial statements and sustainability-related financial disclosures and which provide information about a specific reporting entity
- **Reporting entity** – sustainability-related financial disclosures are for the same reporting entity as the related financial statements to allow users of general purpose financial reports to understand the effects of sustainability-related risks and opportunities on the cash flows, access to finance and cost of capital over the short, medium and long term
- **Connected information** – information is provided in a manner that enables users to understand the connections between:
  - The items to which the information relates (such as connections between various sustainability related risks and opportunities that could reasonably affect the entity's prospects)
  - Disclosures provided by the entity:
    - Within its sustainability disclosures (e.g. connections between governance, strategy, risk management and metrics and targets)
    - Across its sustainability related financial disclosure and other general purpose reports (e.g. such as related financial statements).

### Core content

Unless another IFRS Sustainability Disclosure Standard permits or requires otherwise, an entity would provide disclosures about the following core topic areas:

- **Governance** – the governance processes, controls and procedures the entity uses to monitor and manage sustainability-related risks and opportunities
- **Strategy** – the approach the entity uses to manage sustainability-related risks and opportunities. Aspects to strategy include:
  - Sustainability related risks and opportunities
  - Effects on business model and value chain
  - Effects of sustainability related risks and opportunities on strategy and decision making
  - Current and anticipated financial effects of sustainability related risks and opportunities
  - Resilience (including scenario analysis)
- **Risk management** – the process the entity users to identify, assess, prioritise and monitor sustainability-related risks and opportunities
- **Metrics and targets** – the entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.



### General requirements

In addition to the core content discussed above, IFRS S1 contains a number of general requirements for sustainability-related financial information:

- **Source of guidance** – in identifying sustainability related risks and opportunities and in identifying applicable disclosure requirements, in addition to IFRS Sustainability Disclosure Standards, an entity considers amongst other source of guidance as outlined in IFRS S1, the disclosure topics in SASB Standards and may refer to the CDSB Framework Application Guidance, the most recent pronouncements of other standard-setting bodies and other entities in the same industry and geographical region(s)
- **Location of disclosures** – disclosures required by IFRS Sustainability Disclosure Standards must be included in an entity's general purpose financial reports
- **Timing of reporting** – sustainability-related financial disclosures are made at the same time as the related financial statements and cover the same period as the financial statements
- **Comparative information** – an entity discloses comparative information in respect of the preceding period for all amounts disclosed in the reporting period and for narrative and descriptive sustainability-related financial information where it is useful for an understanding of sustainability-related financial disclosures for the reporting period
- **Statement of compliance** – requires an entity whose sustainability-related financial disclosures comply with all of the relevant requirements of IFRS Sustainability Disclosure Standards to include an explicit and unreserved statement of compliance.

### Judgements, uncertainties and errors

An entity is required to disclose information to enable users of general purpose financial reports to understand:

- The judgements that the entity has made in the process of preparing its sustainability-related financial disclosures that have the most significant effect on the information included in those disclosures
- The most significant uncertainties affecting amounts reported in its sustainability-related financial disclosures, including identifying amounts, the sources of measurement uncertainty and the assumptions, approximations and judgements made in measuring the amounts.

An entity must also correct material prior period errors by restating comparative amounts for the prior periods, unless it is impracticable to do so. Where this occurs, the entity discloses the nature of the error and the correction (to the extent practicable) for each period disclosed. If correction of the error is impracticable, the entity discloses the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

### Climate-related financial disclosures under IFRS S2





The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 applies to climate-related opportunities available to the entity and the following climate-related risks to which the entity is exposed:

- **Climate-related physical risks** – these risks result from climate change that can be event driven (acute physical risks such as storms, floods, drought or heatwaves) or from longer-term shifts in climatic patterns (chronic physical risks such as changes in precipitation and temperature which could lead to sea level rise, reduced water availability, biodiversity loss and changes in soil productivity)
- **Climate-related transition risks** – these risks arise from efforts to transition to a lower-carbon economy, and may include policy, legal, technological, market and reputational risks.

**Core content**

IFRS S2 is based upon the four core elements of the TCFD recommendations: governance, strategy, risk management, and metrics and targets. The table below summarises the key requirements of the Standard, with each item having additional requirements and guidance:

 <b>Governance</b>	 <b>Strategy</b>	 <b>Risk management</b>	 <b>Metrics and targets</b>
<p><b>Objective</b></p> <p>Disclose information about the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.</p>	<p><b>Objective</b></p> <p>Disclose information about the entity's strategy for managing climate-related risks and opportunities.</p>	<p><b>Objective</b></p> <p>Disclose information about the processes the entity uses to identify, assess, prioritise and monitor climate-related risks and opportunities.</p>	<p><b>Objective</b></p> <p>Disclose metrics and targets to understand performance in relation to climate-related risks and opportunities, including progress toward climate-related targets (set internally or required to be met by law or regulation).</p>
<p><b>Disclosures</b></p> <ul style="list-style-type: none"> <li>Information about the governance body(s) or individual(s) with oversight of climate-related risks and opportunities</li> <li>Information about management's role in processes, controls and procedures to monitor, manage and oversee climate-related risks and opportunities.</li> </ul>	<p><b>Disclosures</b></p> <ul style="list-style-type: none"> <li>The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects</li> <li>The current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain</li> <li>The effects of climate-related risks and opportunities on the entity's strategy and decision-making, including its transition plans</li> <li>The effects of significant climate-related risks and opportunities on its financial position, financial performance and cash flows for the reporting period, and the anticipated effects over the short, medium and long term<sup>8</sup></li> <li>The climate resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties.</li> </ul>	<p><b>Disclosures</b></p> <ul style="list-style-type: none"> <li>The entity's process or processes used to identify, assess, prioritise and monitor climate-related risks and climate-related opportunities</li> <li>The extent to which, and how, those processes are integrated into and inform the entity's overall risk management process.</li> </ul>	<p><b>Disclosures</b></p> <ul style="list-style-type: none"> <li>Information relevant to the cross-industry metric categories (discussed below)</li> <li>Industry-based metrics which are associated with particular business models, activities or common features that characterise participation in an industry</li> <li>Targets set by the entity, and targets required by law or regulation, including any GHG emissions targets, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress.</li> </ul>

<sup>8</sup> The entity is required to specify the time horizons – short, medium or long term – over which the effects of climate-related risks and opportunities could reasonably expect to occur (IFRS S2:10(c)). These time horizons can vary between entities and depend on many factors, including industry-specific characteristics (IFRS S1:31). Accordingly, the entity is required to explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making (IFRS S2:10(d)).

### Cross-industry metrics

IFRS S2 requires disclosure of information relevant to the following cross-industry metric categories:

Category	Metric	Unit of measure
<b>GHG emissions</b>		
Absolute gross GHG emissions generated during the reporting period, classified as Scope 1, Scope 2 and Scope 3 emissions <sup>9</sup>	Quantitative	Metric tonnes of CO <sub>2</sub> equivalent
The approach used to measure GHG emissions, including: <ul style="list-style-type: none"> <li>The measurement approach, inputs and assumptions used</li> <li>The reason the measurement approach, inputs and assumptions were chosen</li> <li>Any changes made to the measurement approach, inputs and assumptions during the reporting period</li> </ul>	Discussion and analysis	n/a
Scope 1 and Scope 2 emissions are required to be disaggregated between: <ul style="list-style-type: none"> <li>The consolidated accounting group (the parent and its consolidated subsidiaries)</li> <li>Other investees (associates, joint ventures, unconsolidated subsidiaries) not included in the consolidated accounting group</li> </ul>	Quantitative	Metric tonnes of CO <sub>2</sub> equivalent
For Scope 2 emissions: <ul style="list-style-type: none"> <li>Location-based Scope 2 emissions<sup>10</sup></li> </ul>	Quantitative	Metric tonnes of CO <sub>2</sub> equivalent
<ul style="list-style-type: none"> <li>Information about any contractual instruments to inform users' understanding of the entity Scope 2 emissions<sup>11</sup></li> </ul>	Discussion and analysis	n/a
For Scope 3 emissions: <ul style="list-style-type: none"> <li>The categories included within the entity's measure of Scope 3 emissions in accordance with the Scope 3 categories in the <i>Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)</i></li> <li>Additional information about the entity's Category 15 emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance</li> </ul>	Discussion and analysis	n/a
<b>Transition risks</b>		
The amount and percentage of assets or business activities vulnerable to transition risks	Quantitative	Amount, percentage
<b>Physical risks</b>		
The amount and percentage of assets or business activities vulnerable to physical risks	Quantitative	Amount, percentage
<b>Opportunities</b>		
The amount and percentage of assets or business activities aligned with climate-related opportunities	Quantitative	Amount, percentage
<b>Capital deployment</b>		
The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	Quantitative	Amount
<b>Internal carbon prices</b>		
The price for each metric tonne of GHG emissions that the entity uses to assess the costs of its emissions	Quantitative	Metric tonnes of CO <sub>2</sub> equivalent
An explanation of whether and how the entity is applying the carbon price in decision-making (e.g. investment decisions, transfer pricing and scenario analysis)	Discussion and analysis	n/a

<sup>9</sup> Scope 1 emissions are direct greenhouse gas emissions that occur from sources that are owned or controlled by an entity. Scope 2 emissions are indirect greenhouse emissions that occur from the generation of purchased or acquired electricity, steam, heating or cooling consumed by an entity. Scope 3 emissions are all indirect emissions (not included in Scope 2 emissions) that occur in the value chain of the reporting entity and are categorised into 15 categories. The emissions are measured in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions.

<sup>10</sup> "Location-based" does not mean a geographical emission metric but rather what grids emissions are generated from, as noted in IFRS S2:BC106 which indicates that *An entity using a location-based approach measures the average emissions intensity of the grids on which energy consumption occurs (most commonly using grid-average emission factor data).*

<sup>11</sup> Contractual instruments are any type of contract between an entity and another party for the sale and purchase of energy bundled with attributes about the energy generation or for unbundled energy attribute claims (unbundled energy attribute claims relate to the sale and purchase of energy that is separate and distinct from the greenhouse gas attribute contractual instruments).

Category	Metric	Unit of measure
<b>Remuneration</b>		
Percentage of executive remuneration recognised in the current period that is linked to climate-related considerations	Quantitative	Percentage
Description of whether and how climate-related considerations are factored into executive remuneration	Discussion and analysis	n/a

### Industry-based metrics

IFRS S2 includes industry-based guidance, which originated from the SASB Standards developed for use in the United States. As part of finalising IFRS S2, the ISSB decided to include the industry-based requirements as part of the illustrative guidance to the standard, rather than as a mandatory part of it.

In taking this decision, the ISSB agreed to maintain the requirement in IFRS S2 that entities provide industry-based metrics associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining industry-based metrics, entities are required to refer to and consider the industry-based metrics included in the industry-based guidance. In effect, entities can use the information in the industry-based guidance as a guide to determining the most appropriate industry-specific disclosure, but will not be bound by it.

Additionally, the ISSB decided that the disclosure requirements for ‘financed emissions’ for the asset management activities, commercial banks and insurance be part of the mandatory application guidance to IFRS S2. As a result, entities in these industries are required to disclose its financed emissions as part of its Scope 3 GHG emissions disclosures (i.e. this is a requirement of the Standard rather than non-mandatory industry based guidance).

In late December 2023, the ISSB announced [targeted amendments](#) made to the SASB Standards, designed to enhance their international applicability.

### Transitional relief

The implementation of sustainability-related financial disclosure is subject to various transitional reliefs.

In summary, an entity applying IFRS Sustainability Disclosure Standards can elect in the first year of application only not to:

- Provide sustainability-related risks and opportunities other than climate-related information
- Provide comparative information in the first year of applying IFRS S1 and IFRS S2 (which means in an entity's second year of application, for an entity who elected to only provide climate-related information in their first year of applying IFRS S1, comparative information would only be required in respect of the climate-related disclosures in IFRS S2)
- Provide sustainability-related disclosures at the same time as the related financial statements (thereby providing additional time for entities to prepare their first set of climate-related disclosures, rather than aligning with financial reporting timeframes)
- Disclose Scope 3 GHG emissions under IFRS S2 (in addition, an entity applying this relief would not be required to provide comparatives for Scope 3 emissions in the second year of applying IFRS S2)
- Use the GHG Protocol to measure emissions (where a different approach is currently being used).

Together, this relief provides an easier and phased transition to sustainability reporting whilst permitting an early application of IFRS Sustainability Disclosure Standards to respond to urgent investor demand for information about climate-related risks and opportunities.

## ISSB consultation on future priorities

In May 2023, the ISSB released [Request for Information](#) *Consultation on Agenda Priorities*, seeking feedback on its priorities for the following two years.

The paper puts forward four possible projects that could be considered by the ISSB over the next two years:

- **Biodiversity, ecosystems and ecosystem services** - with possible subtopics on water (including freshwater and marine resources and ecosystems used), land use and land use change (including deforestation), pollution (including air, water and soil emissions) and resource exploitation (including material sourcing and the circular economy)
- **Human capital** - with possible subtopics on worker wellbeing, diversity, equity and inclusion, employee engagement, workforce investment, the alternative workforce, labour conditions in the value chain and workforce composition and costs
- **Human rights** - noting the market's understanding of human rights and its link to investor-relevant sustainability-related risks and opportunities is still maturing
- **Integrated reporting** - to explore how to integrate information in financial reporting beyond the requirements for connected information in the forthcoming IFRS Sustainability Disclosure Standards, IFRS S1 and IFRS S2<sup>12</sup>.

The first three projects would explore the sustainability-related risks and opportunities associated with each topic. These would push the work of the ISSB beyond its current focus in what the ISSB Chair, Emmanuel Faber, terms addressing "climate first, but not climate only" in the ISSB's mission.

The consultation notes that the ISSB's focus for 2023-2024 will be the effective implementation of IFRS S1 and IFRS S2. Therefore, the consultation notes that there is limited capacity to progress all four possible projects, and the consultation paper questions whether a single project out of the four should be progressed, or if more than one, which two projects<sup>13</sup>. Accordingly, much of the feedback sought was on priorities between the various projects.

The consultation paper also noted various synergies with the ISSB's existing projects, and notes an intention to leverage and build upon other materials and existing guidance in each topic area.

Furthermore, in relation to the first three possible sustainability-related projects, the consultation questions explored if sustainability-related risks and opportunities are substantially different across business models, economic activities and other common features such that tailoring of any developed requirements would be required (in a similar way to industry-based requirements under IFRS S2).

The consultation paper was open for comment until 1 September 2023. The IASB and ISSB met on 25 January 2024 to discuss feedback on this Request for Information, specifically a potential project on integration in reporting and feedback on connectivity. Although the Request for Information did not include a question on connectivity, (including connectivity in processes, connectivity between the ISSB's and IASB's respective requirements and connectivity between sustainability-related financial disclosures and financial statements, highlighting the importance of connectivity in providing decision-useful information) respondents provided feedback on this topic. The ISSB is currently analysing the feedback and will discuss the feedback at future meetings. A feedback statement is expected in Q2 2024. More information can be found in [iGAAP in Focus](#) *ISSB seeks feedback on its agenda priorities*.

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<sup>12</sup> The IASB and the ISSB are working together to develop a corporate reporting framework, including principles and concepts from the current *Integrated Reporting Framework*.

<sup>13</sup> The consultation also countenanced the possibility of adding more projects and making incremental progress on those projects.

## B1.5.2 Australian developments



On 27 March 2024, the Federal Government introduced [Treasury Laws Amendment \(Financial Market Infrastructure and Other Measures\) Bill 2024](#) into Parliament. This bill includes the final provisions to implement mandatory climate-related financial disclosures in Australia. To become law, the bill will need to be debated and passed by the House of Representatives and the Senate, and then receive Royal Assent. The Senate has also [referred](#) the bill to the Economics Legislation Committee for inquiry and reporting by 30 April 2024. The analysis that follows includes the impacts of the measures in the bill.

### Legislative framework

#### Background and history

Treasury has released four consultations seeking feedback on sustainability reporting related topics:

- [Empowering the AASB to deliver sustainability standards](#) – Exposure draft legislation that would provide the AASB with the explicit power to develop and formulate (voluntary) sustainability reporting standards (comments closed on 16 December 2022). This measure was implemented by the passage of [Treasury Laws Amendment \(2023 Measures No.1\) Bill 2023](#) discussed in the section *Standard-setting arrangements* on page B-37
- [Climate-related financial disclosure](#) – A consultation paper seeking feedback on proposals to implement and mandate the disclosure of sustainability and climate-related financial risks and opportunities in Australia, and to ensure Australia's financial reporting bodies are appropriately positioned for climate and sustainability reporting (comments closed on 17 February 2023)
- [Climate-related financial disclosure: Second consultation](#) – A consultation building on the first consultation, proposing a broader application of climate-related financial disclosures, with a staged mandatory reporting framework and assurance (released on 27 June 2023, comments closed on 21 July 2023)
- [Climate-related financial disclosure: exposure draft legislation](#) – Treasury's final consultation on the implementation of mandatory climate-related financial disclosures in Australia which includes a [policy position statement](#), [policy impact analysis](#), [exposure draft legislation](#) and [exposure draft explanatory memorandum](#). The proposals largely follow previous proposals but respond to feedback received on previous consultations and also clarify a number of matters. This consultation was released on 12 January 2024, with comments closing on 9 February 2024.

For more information about Treasury's consultations see:

- [Clarity publication](#) *Action now for mandatory climate reporting in Australia* (Treasury's second consultation)
- [Clarity publication](#) *Release of Treasury's final consultation on climate-related financial disclosures* (Treasury's final consultation).

On 27 March 2024, the Federal Government introduced [Treasury Laws Amendment \(Financial Market Infrastructure and Other Measures\) Bill 2024](#) into Parliament. This bill includes the final provisions to implement mandatory climate-related financial disclosures in Australia.

#### Entities required to report climate-related financial disclosures

- Entities which lodge financial reports under Chapter 2M of the Corporations Act will be captured, subject to size thresholds (based on their levels of assets, revenues and employees) and a phased in approach (set out in more detail below), with three groups first reporting from financial years beginning on or after an expected start date of 1 January 2025 (Group 1), 1 July 2026 (Group 2) and 1 July 2027 (Group 3). The Treasury proposals had originally sought a start date of 1 July 2024, with consultation on whether this should be deferred by six months. The start date is linked to the passage of the legislation through Parliament, with the start date being linked to the first 1 January or 1 July after the bill receives Royal Assent
- In addition, all entities who are required to report under Chapter 2M of the Corporations Act and who report under the *National Greenhouse and Energy Reporting Act 2007* (NGER) will be required to report in either Group 1 or Group 2 even if they do not meet the size threshold criteria
- Finally, registered schemes, registrable superannuation entities and retail CCIVs are excluded from Group 1 (even if they exceed the thresholds for that Group). Instead, these entities are included in Group 2 if the value of assets at the end of the financial year are \$5 billion or more<sup>14</sup>

<sup>14</sup> If the assets of a registered scheme, registrable superannuation entity or retail CCIV are less than \$5 billion, they may still be captured by the Group 2 or Group 3 thresholds for employees, consolidated assets and consolidated revenue that apply to other entities.

- Entities in Group 3 would only be required to make disclosures if they face material climate-related risks or opportunities, and where this is not the case, would be able to comply by disclosing a statement that they do not have material climate-related risks and opportunities and why this is the case
- Concessions introduced would see consolidated groups being able to elect to only prepare one sustainability report for the Australian consolidated group.

ACNC-registered entities are exempt from lodging financial reporting under Chapter 2M of the Corporations Act and hence would not be required to make climate-related financial disclosures.

### Phased approach to implementation

The three-phased approach to entities reporting under [Chapter 2M](#) of the Corporations Act would apply to entities that meet the prescribed thresholds as outlined below:

- Entities which meet **two or more** of the prescribed size thresholds related to employees, consolidated assets and consolidated revenue (other than registered schemes, registrable superannuation funds or retail CCIVs in respect of Group 1), or
- Entities reporting under NGER, or
- In relation to registered schemes, registrable superannuation entities and retail CCIVs, the value of assets is \$5 billion or more.

The specific scoping criteria for entities are set out in the table below:

Group	Periods commencing	Category 1			Category 2	Category 3
		Meets two or more of these thresholds			NGER reporters	Registered schemes, RSEs and retail CCIVs
		Employees	Consolidated assets	Consolidated revenue		
1	1 January 2025 <sup>15</sup>	More than 500	\$1 billion or more	\$500 million or more	Above NGER publication threshold	N/A <sup>16</sup>
2	1 July 2026	More than 250	\$500 million or more	\$200 million or more	All other NGER reporters	\$5 billion assets or more
3	1 July 2027	More than 100	\$25 million or more	\$50 million or more	N/A	N/A

### Reporting requirements

- The introduction of a new “sustainability report” would form a fourth report as part of the annual report, alongside the directors’ report, financial report and auditor’s reports. The auditor’s report on the sustainability report would be separate from the report on the financial report
- The sustainability report would include a climate statement, notes to the climate statement, any statements or notes to the statements prescribed by the regulations and a directors’ declaration
- The climate statement and notes to the climate statement would together disclose material climate-related financial risks and opportunities, metrics and targets related to climate (including Scope 1, Scope 2 and Scope 3 GHG emissions) and climate-related governance or risk management processes, controls and procedures. The disclosures to be made are those determined by sustainability standards made for purposes of the relevant sections of the legislation (i.e. by the AASB)
- The sustainability report would comply with sustainability standards set by the AASB (and any requirements in the regulations), would be given to members (with some exceptions) and laid before the annual general meeting (where held)

<sup>15</sup> The start date for Group 1 is linked to when the enabling legislation commences (i.e. is passed by Parliament and receives Royal Assent) and will be the 1 January or 1 July after commencement plus a certain number of days. However, if the start date is not 1 January 2025 or 1 July 2025, there will effectively be no start date for Group 1 and entities otherwise captured in Group 1 would instead report in accordance with Group 2 (as entities exceeding the Group 1 thresholds will also exceed the Group 2 thresholds).

<sup>16</sup> Under proposed s.1707B(2)(b), an entity in Group 1 cannot be a registered scheme, registrable superannuation entity or retail CCIV. Accordingly, such entities are not required to report in accordance with the Group 1 even if they meet two or more of the thresholds in Category 1.



- The reporting timetable for the sustainability report would be consistent with existing requirements under the Corporations Act, with disclosing entities, registered managed investment schemes and registrable superannuation entities) to report within three months of the end of the financial year. Other entities would report within four months of the end of the financial year.

### **Assurance requirements**

- All climate disclosures included in sustainability reports made from 1 July 2030 onwards will be subject to audit
- The legislation provides that the audit requirements prior to 1 July 2030 are to be determined by the AUASB on a phased-in approach. On 20 March 2024, the AUASB released [Consultation Paper Assurance over Climate and Other Sustainability Information](#), which includes a request for feedback on possible phasing of assurance requirements. The Consultation Paper is open for comment until 3 May 2024.

### **Other considerations**

- The introduction of a temporary 'modified liability' framework which provides limited immunity from liability for statements in sustainability reports relating to Scope 3 emissions, scenario analysis and transition plans, in relation to the first three years starting from the start date (i.e. the 1 January or 1 July after commencement of the legislation plus a number of days)
- A separate 'modified liability' framework in relation to the first 12 months from the start date (i.e. the 1 January or 1 July after commencement of the legislation plus a number of days) for future-focused statements made in a sustainability report or auditor's report related to complying with a sustainability standard in relation to climate
- The seven year record keeping requirement applying to financial records would be extended to information explaining or used in preparing the sustainability report. Similar requirements apply to record keeping in relation to audit information for the auditor.

## **Standard-setting**

### **Standard-setting arrangements**

The Federal Government 2023-24 Mid-Year Economic and Fiscal Outlook (MYEFO) [confirmed](#) the Government's commitment to legislate mandatory standardised climate-related financial disclosure requirements and commits funding of \$81.6 million to the AASB, AUASB, ASIC and other bodies to support the implementation of the new requirements. In addition, a further \$1.2 million has been committed to support the replacement of the AASB, AUASB and Financial Reporting Council with a new body responsible for corporate reporting standards related to accounting, auditing and assurance and climate sustainability.

The new body is expected to be operational on or after 1 July 2026 (subject to the passage of legislation) and will be responsible for accounting and auditing standards and climate-related financial disclosures. The AASB will continue to develop climate-related financial disclosure standards until the new arrangements are in place.

The proposed model is similar to the arrangements in New Zealand, where the [External Reporting Board](#) performs similar functions (but delegates standard-setting responsibilities to sub-boards).

In November 2023 Federal Parliament finalised passage of [Treasury Laws Amendment \(2023 Measures No. 1\) Bill 2023](#) and the Bill received [Royal Assent](#) on 27 November 2023.

The Bill amends the *Australian Securities and Investments Commission Act 2001* to:

- Give the AASB the power to develop and formulate sustainability standards
- Expand the AUASB's functions to include formulating auditing and assurance standards for sustainability purposes
- Expand the Financial Reporting Council's oversight and governance powers to account for the development of sustainability standards.

The new powers relate to the formulation of voluntary sustainability standards. The ability of the AASB to "make" mandatorily sustainability standards will result from the passage of the [Treasury Laws Amendment \(Financial Market Infrastructure and Other Measures\) Bill 2024](#).

### **Standard setting activities**

In response to the regulatory developments, at its [February 2023](#) meeting, the AASB discussed the implementation of sustainability disclosure standards in Australia. In order to progress climate-related financial disclosure requirements, the AASB decided to adopt a "climate first" approach so that these standards could be finalised as soon as possible to meet investor and government demand for such standards.



On 23 October 2023, the AASB released [Exposure Draft ED SR1 Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information](#) (Climate ED). The Climate ED outlines the proposed implementation of climate-related financial disclosure in Australia in the context of the proposed Federal Government policy and previous feedback from Commonwealth Treasury consultations.

The Climate ED proposes three Australian Sustainability Reporting Standards (ASRSs):

- ASRS 1 *General Requirements for Disclosure of Climate-related Financial Information*, which is based on IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*. Consistent with previous AASB decisions and Government policy, this proposed standard has been ‘climatised’ to only apply to climate-related financial disclosures only
- ASRS 2 *Climate-related Financial Disclosures*, which is based on IFRS S2 *Climate-related Disclosures*. The scope of this proposed standard is limited to climate-related risks and opportunities related to climate change and does not include other climate-related emissions that are not GHG emissions
- ASRS 101 *References in Australian Sustainability Reporting Standards*, which is proposed to operate as a ‘service standard’ to give legal effect to references to various other documents such as the GHG Protocol and Australian and New Zealand Standard Industrial Classification (ANZSIC) (in a similar way to how AASB 1048 *Interpretation of Standards* operates for Australian Accounting Standards).

As an overview, the following themes are evident in the Climate ED:



#### Focus on climate first

- The scope of the Climate ED is limited to climate-related financial disclosures only, unlike IFRS S1 which more broadly addresses sustainability-related financial disclosures. The wording in IFRS S1 has been “climatised” to achieve this outcome
- As a result, a significant proportion of disclosures would be identical between ASRS 1 and ASRS 2 (particularly across the governance, strategy and risk management sections) and so the proposals delete the duplicate requirements in ASRS 2 and rather cross-reference to those disclosures in ASRS 1. This means that entities will need to reference both ASRS 1 and ASRS 2 to determine the disclosures required
- It is likely that entities complying only with the requirements of ASRSs will not be able to make a statement of compliance with ISSB Standards.



#### Australian focus

- The Climate ED prioritises certain Australian requirements over international requirements. For instance, *National Greenhouse and Energy Reporting Act 2007* (NGER) legislation methodologies should be prioritised for the calculation of scope 1 and 2 GHG emissions instead of the GHG Protocol
- Further, if entities elect to disclose industry-specific metrics under ASRS 2, the entity should consider well-established and understood metrics associated with particular business models, activities or other features that characterise participation in the same industry grouping, as classified according to ANZSIC<sup>17</sup> classifications rather than the Sustainability Accounting Standards Board (SASB) industry classifications contained in the industry-based guidance of the ISSB standards. Further, all references to the SASB standards have been removed from the Climate ED
- As certain Australian carbon credit units (ACCUs) are not “uniquely serialised” under the Australian Carbon Credit Unit Scheme, the AASB has modified the definition of “carbon credit” to include credits under the scheme.

<sup>17</sup> The Australian Bureau of Statistics’ [Australian and New Zealand Standard Industrial Classification \(ANZSIC\)](#)



### Meeting Federal Government policy

- Consistent with Treasury's consultations on climate reporting, the Climate ED requires climate resilience assessments against at least two relevant possible future states, one of which must be consistent with the most ambitious global temperature goal set out in the *Climate Change Act 2022* (i.e. 1.5°C above pre-industrial levels)
- Further, it proposes the disclosure of market-based<sup>18</sup> scope 2 GHG emissions in addition to its location-based emissions (with transitional relief for the first three reporting periods)
- The AASB however decided not to include a requirement for a detailed index table in annual reports displaying climate-related financial disclosure requirements (i.e. governance, strategy, risk management, and metrics and targets) and the relevant disclosure section and page number, as suggested by Treasury's recent consultation. Instead the AASB proposed including a more general requirement to apply judgement in providing information in a manner that enables users to locate its climate-related financial disclosures.



### Sector neutrality

- The Climate ED contains additional guidance and provisions to make IFRS S1 and IFRS S2 operative for not-for-profit entities and seeks feedback from those entities on various proposals.

The Climate ED contains tables outlining the differences between the proposed ASRS 1 and ASRS 2 and IFRS S1 and IFRS S2, which are summarised below.

#### Differences between IFRS S1 and proposed ASRS 1

IFRS S1	Proposed ASRS 1	Rationale for modification
<b>Application</b>		
Terminology focused on the for-profit sector	Includes terminology applicable to not-for-profit entities	Sector neutrality
<b>Scope</b>		
Applies to sustainability-related financial information	Applies only to climate-related financial information	Consistent with Government policy to focus on 'climate first'
No explicit requirement to make disclosures where the entity determines it has <i>no</i> material climate-related risks and opportunities	Contains explicit disclosures where the entity determines it has <i>no</i> material climate-related risks and opportunities	Considered to be useful information for users
<b>Sources of guidance</b>		
In identifying relevant sources of guidance to refer to in the absence of an applicable IFRS Sustainability Disclosure Standard, requires the application of SASB Standards	Where an entity elects to provide industry-based disclosures, the entity considers "well established and understood metrics" in the same industry (classified in accordance with ANZSIC)	AASB decided not to include references to the SASB Standards or industry-based guidance accompanying IFRS S2 until the content has been comprehensively internationalised by the ISSB and undergone AASB due process <sup>19</sup>
<b>Location of disclosures</b>		
Requires identification of the report within which climate-related financial information is located	Information must be provided in a manner that enables users to locate its disclosures in accordance with ASRS Standards	To make it easier for users to locate climate-related financial disclosures

<sup>18</sup> The disclosure of market-based scope 2 emissions is only proposed to apply to entities that are required to prepare climate-related financial disclosures by the *Corporations Act 2001* (and so would not apply to other entities that are required to, or choose to, comply with ASRS 2). The Climate ED proposes that for the first three annual reporting periods in which an entity applies ASRS 2, the entity would not be required to disclose market-based scope 2 GHG emissions (similarly, comparative information related to those periods would not be required).

<sup>19</sup> The Basis for Conclusions on the Climate ED notes that entities can make additional voluntary disclosures using SASB Standards if they wish to do so.

IFRS S1	Proposed ASRS 1	Rationale for modification
<b>Timing of reporting</b>		
Gives an example of an entity preparing climate-related financial information for a period other than 12 months and addresses interim reporting	Specifies that entities should use the same reporting period for climate-related financial information and financial statements and does not address interim reporting	To avoid confusion by stakeholders

**Differences between IFRS S2 and proposed ASRS 2**

IFRS S2	Proposed ASRS 2	Rationale for modification
<b>Interaction with other pronouncements</b>		
Includes requirements related to general disclosures on governance, strategy and risk management identical to the requirements in IFRS S1	Cross referenced to ASRS S1 rather than duplicating the requirements	To avoid duplication
<b>Application</b>		
Terminology focused on the for-profit sector	Terminology focused on the not-for-profit sector	Sector neutrality
<b>Scope</b>		
Applies to climate-related risks and opportunities	Applies to climate-related risks and opportunities in relation to climate change only	To clarify that ASRS 2 does not apply to climate-related emissions other than GHG emissions. The Climate ED specifically notes that ASRS 2 does not replace any existing legislative requirements related to other sustainability related topics (e.g. water and biodiversity)
<b>Climate resilience</b>		
Requires climate-related scenario analysis to assess climate resilience commensurate with the entity's circumstances	Requires resilience assessments against at least two possible future states, one of which must be consistent with the most ambitious global temperature goal set in the Climate Change Act 2022 (i.e. 1.5°C above pre-industrial levels) <sup>20</sup>	Specifying the minimum number of scenarios and the lower-temperature scenario to assess against to ensure comparability across entities
<b>Greenhouse gas (GHG) emissions</b>		
Requires conversion of GHGs into a CO <sub>2</sub> equivalent value based on the latest Intergovernmental Panel on Climate Change (IPCC) assessment guidance (i.e. the 6 <sup>th</sup> IPCC assessment report)	Requires conversion of GHGs into a CO <sub>2</sub> equivalent value using the same IPCC assessment report referred to in the <i>National Greenhouse and Energy Reporting Act 2007</i> and associated regulations (NGER) and the Paris Agreement (i.e. the 5 <sup>th</sup> IPCC assessment report)	Avoids regulatory burden for Australian entities that would be required to use Global Warming Potential (GWP) values based on the IPCC 5 <sup>th</sup> assessment report under the NGER scheme legislation
Permits the use of a method other than the GHG Protocol when required to do so by a jurisdictional authority or an exchange on which the entity is listed	Requires the prioritisation of relevant methodologies under NGER before referring to other GHG measurement methods	To align with the proposals in Treasury's second consultation

<sup>20</sup> The requirement for resilience assessment against at least two possible future states would only apply to entities required to prepare climate-related financial disclosures by the Corporations Act (and so would not apply to other entities that are required to, or choose to, comply with ASRS 2).

IFRS S2	Proposed ASRS 2	Rationale for modification
Requires the disclosure of location-based scope 2 GHG emissions	Requires the disclosure of market-based scope 2 GHG emissions in addition to location-based measures <sup>21</sup>	To align with the proposals in Treasury's second consultation
When certain conditions are met, permit the measurement of GHG emissions using information from periods that are different from its own reporting period	Scope 3 GHG emissions can be measured using data for the immediately preceding period where information is not available without undue cost or effort	To align with the proposals in Treasury's second consultation
Requires an entity to disclose the sources of its scope 3 emissions under the 15 categories taken from the GHG Protocol	Includes the 15 categories as examples that an entity could consider when disclosing sources of its scope 3 emissions (rather than requiring disclosure in accordance with the 15 categories)	The 15 categories are not referenced in IPCC guidelines or the Paris Agreement and concerns about international alignment
Requires entities participating in asset management, commercial banking or insurance activities to make additional disclosures of its financed emissions in accordance with the GHG Protocol	Requires those entities to consider the applicability of those additional disclosures related to its financed emissions	To support sector neutrality and align the financed emissions paragraphs with the GHG Protocol regarding measurement of GHG emissions
<b>Industry-based metrics</b>		
In identifying industry-based metrics to disclose, requires an entity to apply the SASB Standards and consider industry-based metrics adapted from the SASB Standards	Requires an entity electing to make industry-based disclosures to consider industry-based metrics disclosed by entities operating in the same industry (as classified using ANZSIC)	The AASB decided not to include the industry-based guidance accompanying IFRS S2 until the content has been comprehensively internationalised by the ISSB and undergone AASB due process

The Climate ED was open for comment until 1 March 2024. Depending on feedback received, the AASB may potentially publish another exposure draft or fatal flaw draft to enable further consultation as it moves toward finalisation of the proposed ASRSs in mid-2024.

More information on Australia's climate exposure draft can be found in [Clarity publication](#) *Australia's first climate standards: no more waiting*.

### Australian regulatory perspectives

In December 2021 ASIC [welcomed](#) the establishment of the ISSB and is supportive of its objectives. ASIC further indicated in the media release that it "encourages listed companies to use the TCFD recommendations as the primary framework for voluntary climate change-related disclosures. Listed companies reporting climate-related information under the TCFD recommendations are expected to be well placed to transition to the future Australian Sustainability Reporting Standards. Furthermore, ASIC notes that listed companies should consider the guidance published by the TCFD and are required to prepare an OFR and consider ASIC [Regulatory Guide 247](#) *Effective disclosure in an operating and financial review*.

Whilst the requirement for an OFR applies to listed entities under s.299A of the Corporations Act, the information remains relevant for other entities reporting under the Corporations Act. There are complimentary requirements in s.299 of the Corporations Act that should be considered by such entities in the context of reporting sustainability information. These include the requirement to include a review of operations, significant changes in the state of affairs, likely developments in affairs, and the requirements around the entity's operations being subject to significant environmental regulation in Australia.

Furthermore, entities should consider the imminent implementation of mandatory climate-related financial disclosures when determining their disclosures in their annual report for the current period. This should also extend to the impact of

<sup>21</sup> The disclosure of market-based scope 2 emissions is only proposed to apply to entities that are required to prepare climate-related financial disclosures by the Corporations Act (and so would not apply to other entities that are required to, or choose to, comply with ASRS 2). The Climate ED proposes that for the first three annual reporting periods in which an entity applies ASRS 2, the entity would not be required to disclose market-based scope 2 greenhouse gas emissions (similarly, comparative information related to those periods would not be required).

climate-related risk and opportunities on the carrying amounts of assets and liabilities recognised in the financial report and related disclosures.

### B1.5.3 Greenwashing

#### Global perspectives

According to the [World Economic Forum](#), greenwashing is when an entity refers to practices or products as 'green' or 'sustainable' while ignoring their total contribution to climate change and or the Sustainable Development Goals such as biodiversity or environmental pollution. It generally takes two forms:

- **Selective disclosure** - advertising positive information while hiding the negative. For example, calling paper produced from a sustainably harvested forest sustainable without considering other issues in the paper-making process, such as greenhouse gas emissions or chlorine bleaching
- **Symbolic actions** - Drawing attention to minor issues when the action taken is not meaningful. For example, if financial services or professional firms were only to offset their own emissions while ignoring the potential impact they can have by furthering the sustainability contribution of their clients. They could for example, also be making efforts to help clients with a negative sustainability footprint.

#### Australian regulatory perspective

In relation to investments, ASIC sees greenwashing as the practice of misrepresenting the extent to which a financial product or investment strategy is environmentally friendly, sustainable or ethical.

ASIC notes that the Corporations Act contains prohibitions against misleading and deceptive statements and conduct, which may be breached where statements about the future (e.g. expected emissions reductions) are made without having reasonable grounds for making the statement.

In May 2023, ASIC released a [report](#) outlining its interventions in response to its greenwashing surveillance activities in the nine month period from 1 July 2022 to 31 March 2023.

The report notes that ASIC's interventions resulted in 23 corrective disclosure outcomes, 11 infringement notices issued and one instance of the commencement of civil penalty proceedings. The matters noted by ASIC include references to:

- Net zero statements and targets
- Use of terms such as 'carbon neutral', 'clean' or 'green'
- Fund labels
- Scope and application of investment exclusions and screens (in the funds sector).

In a [speech](#) coinciding with the release of the report, the ASIC Deputy Chair at the time noted an 'antidote' to greenwashing focused on transparent disclosure, policy-installed 'bright lines' supporting that disclosure, and effective regulator activity.

The speech also noted that more than 400 listed companies referenced the terms 'carbon neutral' or 'net zero' in price sensitive announcements in 2022 – compared with fewer than 50 companies doing so in 2019.

The release of the report follows the 2023-2024 Federal Budget [confirming](#) \$4.3 million in additional funding for ASIC to "ensure the integrity of sustainable finance markets by investigating and undertaking enforcement action against market participants engaging in greenwashing and other sustainable finance misconduct". In a [joint press media release](#) after an investor roundtable held in April 2023, the Federal Government announced the \$4.3 million funding for ASIC and noted a "strong and proactive regulatory approach will reduce the risk of greenwashing, supporting investor sentiment towards Australia as a destination for green capital".

Earlier, in June 2022, ASIC released [Information Sheet INFO 271](#) *How to avoid greenwashing when offering or promoting sustainability-related products*. Whilst focused on financial products issued by funds, ASIC acknowledges the concepts and recommendations are also relevant for other entities, such as listed entities and in relation to the issue of 'green bonds'.

ASIC [INFO 271](#) outlines the following factors to consider when preparing communications and disclosures about sustainability:

- **True to label** - Making statements that reflect the underlying reality. 'No gambling fund' investing in companies with less than 30% of total revenue from gambling activities is an example of a product not true to label
- **Avoiding vague terminology** - Using broad, unsubstantiated sustainability-related statements or 'jargon' without clarification, e.g. we will 'contribute towards positive impact for our investors and the world' without additional disclosure about what the positive impacts are or how they will be achieved
- **Not making misleading headline claims** - Making 'headline' statements in absolute terms which are qualified or contradicted in later detail
- **Incorporation of sustainability-related factors into decisions and stewardship** - Disclose and clearly explain which sustainability-related considerations are taken into account and how they are incorporated into investment decisions and stewardship activities
- **Investment screening criteria – including exceptions or qualifications** - Whilst specific to funds, how sustainability related decisions are incorporated into business investment decisions is relevant for many entities, e.g. financial institutions reducing exposure to certain high-intensity emission sectors
- **Influence over benchmark indexes** - Specific to funds, this refers to clearly disclosing when a fund manager has a level of influence over composition of a benchmark index
- **Reasonable grounds for stated sustainability target** - Clearly explaining sustainability targets, how and when the target will be met, how progress will be measured, and any assumptions relied upon when setting targets or measuring progress.

During the second half of calendar 2022, ASIC released a number of media releases announcing actions against many entities on greenwashing. Further, in February 2023 ASIC launched its first Court proceedings alleging greenwashing and commenced its third civil penalty proceeding in the Federal Court on August 2023. In March 2024, ASIC [announced](#) it had won its first civil penalty action for greenwashing.

ASIC's [enforcement and regulatory update report \(October to December 2023\)](#), notes that greenwashing continued to be a focus and that it had issued two infringement notices for misleading conduct relating to sustainable finance including greenwashing.

In an *ASIC greenwashing antidote* [article](#) (July 2023), ASIC deputy chair at the time notes that "Ultimately, only meaningful, responsible and transparent disclosure will effectively combat greenwashing practices".

Furthermore, in its [ASIC Corporate Plan 2023-27 - Focus 2023-24](#), ASIC notes it will "continue to take action, including enforcement action, to deter greenwashing, and support effective climate and sustainability governance and disclosure".

In its [December 2023 focus areas](#), ASIC has also called out auditors to do more to detect and respond to greenwashing.

It is clear that ASIC and the Federal Government are strongly focused on greenwashing, and entities should carefully consider ASIC's guidance and Federal Government policy in order to respond appropriately in their annual financial reporting and more broadly.

### **Greenwashing and sustainability reporting are linked**

In essence, greenwashing is intrinsically linked with the current global and Australian push for mandatory sustainability reporting.

Entities that successfully implement a sustainability reporting framework such as the IFRS Sustainability Disclosure Standards, should thereby typically avoid the risk greenwashing, as the frameworks provide detail that address matters expected by investors and regulators alike. For instance, the Climate ED and the ISSB's IFRS Sustainability Disclosure Standards on which the Climate ED is based, focus on the four categories of governance, strategy, risk management and metrics and targets. This will help narrow the gap between green claims and green action. (See section B1.5 for more information).

### **Financial reporting considerations**

Claims of greenwashing can arise directly from financial reporting.

As evident from a series of recent regulator actions against entities for greenwashing, entities making sustainability claims need to have a reasonable basis for making those claims. Where there are inconsistencies between sustainability disclosures and financial reporting, this elevates the risk of greenwashing occurring. Even where a reasonable basis exists, consistency between sustainability disclosures and financial reporting is paramount. For example, if an entity intends to replace equipment used in a manufacturing process with more energy efficient equipment this might have numerous 'flow on' financial reporting impacts, including:

- A need to consider the impacts on depreciation – the carrying amount of the equipment to be replaced may need to be depreciated over a shorter timeframe, and any residual value used in the depreciation calculation may need to be reassessed as likely prices and demand for inefficient machinery may be lower
- Impairment implications may arise – including whether the plans act as an indicator of possible impairment of the existing equipment, cash outflows expected to arise from committed capital spending and the impacts the equipment will have on energy use assumed in the model
- Where the new or existing equipment is leased, the implications on lease accounting must also be considered – including lease modification accounting and make good or other provisions
- If the investment is significant, this may have broader implications on capital and liquidity management, and perhaps even continuous disclosure considerations.

#### B1.5.4 Other developments

The following highlighted developments have recently occurred (to the date of this publication), in addition to those noted above:

- The International Auditing and Assurance Standards Board (IAASB) [announced](#) that it would fast track an International Standard on Sustainability Assurance™ on the general requirements for sustainability assurance engagements, with an [exposure draft](#) issued in early August 2023 (comments closed on 1 December 2023). A final standard is due to be voted on at the IAASB's September 2024 meeting
- In December 2022, the European Commission published its [Corporate Sustainability Reporting Directive](#) (CSRD) in the Official Journal of the European Union. The CSRD came into effect on 5 January 2023 and is required to be transposed into European Member States' national legislation within 18 months of that date. The CSRD aims to improve sustainability reporting to better exploit the potential of the European single market and to contribute to the transition to a fully sustainable and inclusive economic and financial system in line with the European Green Deal and the UN Sustainable Development Goals. The CSRD applies on a worldwide basis to certain entities on a phased-in basis, commencing in 2024 for entities listed on an EU regulated market (where they have more than 500 employees), and ultimately extending to foreign entities that generate a net turnover of more than EUR 150 million (and meeting other requirements) with effect to financial years commencing on or after 1 January 2028. Subsequently, in late July 2023, the European Sustainability Reporting Standards (ESRS) were finalised and [adopted](#) by the European Commission. The ESRS will be used by entities reporting under the CSRD, which will be progressively required over the 2024-2028 period. Australian entities listed in the European Union, or that have operations in Europe, may be within scope (subject to revenue thresholds in some cases) and be required to report under the ESRS on their consolidated operations at the global ultimate parent level. For more information, see [iGAAP in Focus European Sustainability Reporting Standards finalised](#) and [iGAAP in Focus Worldwide reach of the Corporate Sustainability Reporting Directive – final text published in Official Journal](#)
- The New Zealand External Reporting Board (XRB) has published three [Aotearoa New Zealand Climate Standards](#), which apply to annual reporting periods beginning on or after 1 January 2023. The Standards are based on the Taskforce on Climate-Related Disclosures (TCFD) recommendations, but in some cases have been aligned with the ISSB proposals in (the then draft) IFRS S1 and IFRS S2
- In September 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) published its final [recommendations](#) and [guidance](#) for nature-related risk management and disclosure. The recommendations aim to help businesses start measuring, managing and disclosing their nature-related impacts, dependencies, risks and opportunities. The recommendations include a set of recommended disclosures, building on the four pillars that have been used by the TCFD, i.e. governance, strategy, risk and impact management, and metrics and targets. At the January 2024 Davos meeting, the TNFD announced that 320 organisations (including [12 from Australia](#)) have committed to start making nature-related disclosures based on the [TNFD Recommendations](#) published in September last year. For more information, see [iGAAP in Focus Sustainability reporting: TNFD publishes final recommendations for nature-related risk management and disclosure](#).
- In October 2023, new Californian legislation was signed into law which may impact entities with United States incorporated subsidiaries that have operations in the state of California. Under bill [SB-253 Climate Corporate Data Accountability](#), various entities incorporated under United States law doing business in California where revenue exceeds a US\$1 billion threshold will be required to publicly disclose their Scope 1 and Scope 2 emissions from 2025 and Scope 3 GHG emissions from 2027. Bill [SB-261 Greenhouse gases: climate-related financial risks](#) would require entities with more than US\$500 million in revenue to prepare a climate-related financial risk report on a biennial basis from 2026. For more information, see [iGAAP in Focus Sustainability reporting: California Climate Legislation](#) and [Heads Up #DeloitteESGNow – The Sweeping Impacts of California's Climate Legislation](#)



- GRI developments:
  - In late January 2024, GRI [announced](#) the publication of GRI 101 *Biodiversity 2024*, providing an update to its standards on comprehensive disclosure of significant impacts by entities on biodiversity throughout their operations and value chain
  - In February 2024 the GRI issued [GRI 14: Mining Sector 2024](#) which is effective for reports or other materials published on or after 1 January 2026, with early adoption encouraged. The Standard which is used with the GRI Universal Standards and the GRI Topic Standards, enables mining companies to use common metrics to report their impacts
- In March 2024, the United States Securities and Exchange Commission (SEC) released final rules to implement mandatory climate-related risk disclosures for United States registrants. The rules would require disclosures in the financial statements (e.g. impacts due to severe weather events and other natural conditions and a roll-forward of carbon offsets and renewable energy credits) and outside of the financial statements (including Scope 1 and Scope 2 GHG emissions, governance and oversight of material climate-related risks, material impacts of climate risks, risk management processes and material climate targets and goals). Observations include:
  - Disclosures are loosely based on the TCFD although don't include all the TCFD recommendations. Notably, scope 3 GHG emissions are not required to be disclosed
  - Disclosures in the financial statements relate to impacts due severe weather events rather than the 'climate-related' risks or opportunities. When determining that the severe weather event or other natural condition was a significant contributing factor in recognising such amounts, entities are not required to attribute the cause of severe weather events or other natural conditions to climate change. Instead, they are required to include the entire amount of expenditure or capitalised cost, charges or recoveries in the amounts disclosed.

The new rules will be phased in from 2025 to 2033<sup>22</sup>. For more information, see [iGAAP in Focus SEC adopts rule that requires climate-related disclosures](#) and [Heads Up Comprehensive analysis of the SEC's landmark climate disclosure rule](#).



**This model annual report highlights those disclosures that may be impacted by climate change. [Appendix 1](#) summarises the disclosures that may be impacted by climate change.**

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**For more information see:**

- [iGAAP in Focus Sustainability reporting: ISSB publishes first IFRS Sustainability Disclosure Standards](#)
  - [Deloitte 2023 CxO Sustainability Report: Accelerating the Green Transition](#) finds global C-level business leaders (or CxOs) view climate change as a top priority for their organisations amid global uncertainty
  - [Deloitte Roadmap publication Greenhouse Gas Protocol Reporting Considerations](#) which consolidates and simplifies the concepts in the Greenhouse Gas (GHG) Protocol
  - [Deloitte co-authored publication A director's guide to mandatory climate reporting.](#)
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<sup>22</sup> On 4 April 2024, the SEC issued an [order](#) which has the effect of exercising the SEC's discretion to stay the rules pending the completion of a judicial review of various court petitions seeking review of the rules. The order notes that the SEC "is not departing from its view that the Final Rules are consistent with applicable law and within the Commission's long-standing authority to require the disclosure of information important to investors in making investment and voting decisions".



# B2 Details of new and revised pronouncements

This section outlines new and revised pronouncements that have not been previously applied in financial and sustainability reports.

## Roadmap to this section

Section	What is included
<b>B2.1 Overall considerations</b>	A summary of the impacts of adopting new and revised pronouncements, and disclosing information about pronouncements not yet adopted
<b>B2.2 Summary of new and amended pronouncements</b>	An overview of new and revised accounting pronouncements, classified into those mandatory at 30 June 2024, and those that apply in future periods
<b>B2.3 Pronouncements applicable to all entities</b>	New or revised pronouncements applying to all entities
<b>B2.4 Pronouncements applicable to Tier 2 entities only</b>	New and revised pronouncements applying only to entities applying Australian Accounting Standards – Simplified Disclosures (Tier 2)
<b>B2.5 Pronouncements applicable to not-for-profit entities and public sector entities only</b>	New and revised pronouncements applying only to not-for-profit and public sector entities (and includes an explanation of the new or revised requirement)
<b>B2.6 International pronouncements not yet issued in Australia</b>	Pronouncements made by the IASB or IFRIC, where an equivalent pronouncement has not been made by the AASB but is expected to be issued in due course (and includes an explanation of the new or revised requirement)
<b>B2.7 IFRS Interpretations Committee agenda decisions</b>	A summary of recent IFRS Interpretations Committee agenda decisions, which should be considered a source of guidance when selecting suitable accounting policies
<b>B2.8 ISSB pronouncements</b>	Pronouncements made by the ISSB where an equivalent pronouncement has not been made by the AASB but pronouncements on sustainability-related information are expected to be issued in due course (and includes an explanation of the new Standards)
<b>B2.9 Corporations Act 2001 developments</b>	Corporations Act and Corporations Regulations developments relevant to financial reporting
<b>B2.10 ASIC</b>	A summary of recent developments from ASIC relevant to financial reporting
<b>B2.11 ASX</b>	A summary of recent developments from the ASX relevant to financial reporting
<b>B2.12 Other pronouncements</b>	A summary of recent other pronouncements impacting financial reporting

The tables and other information in this section outline the new and revised pronouncements and other requirements that are to be applied for the first time at 30 June 2024 (for full and half-year financial statements), or which may be early adopted at that date and which apply to either for-profit Tier 1 and Tier 2 entities, for-profit Tier 2 entities only or not-for-profit entities only.

Although these are Tier 1 full year model financial statements, for completeness, the tables and other information in this section may include new and revised pronouncements and other requirements specific to Tier 2 and not-for-profit entities.

For each pronouncement, the effective date is listed, together with a summary of its applicability to annual reports and half-year reports for periods ending on 30 June 2024.

## B2.1 Overall considerations

### B2.1.1 Impacts of adopting new and revised pronouncements

Applying new and revised pronouncements for the first time can result in direct changes in recognition, measurement, presentation and disclosure requirements. In addition, there can be consequential impacts on financial reports through the transitional provisions of the pronouncement and the existing requirements of other Australian Accounting Standards.

The table below outlines some of the areas where these consequential impacts should be considered:

Area	Consideration
<b>Updates to accounting policies</b>	The terminology and substance of accounting policies may need to be updated to reflect new recognition, measurement and other requirements.
<b>Impact of transitional provisions</b>	AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> contains a general requirement that changes in accounting policies are retrospectively applied, but this does not apply to the extent an individual pronouncement has specific transitional provisions.
<b>Disclosures about changes in accounting policies</b>	Where an entity changes its accounting policy as a result of the initial application of an Accounting Standard (including Interpretations as a result of AASB 1048 <i>Interpretation of Standards</i> ) and it has an effect on the current period or any prior period, AASB 108 (subject to any specific transitional provisions of the Standard) requires the disclosure of a number of matters, e.g. the title of the Standard, the nature of the change in accounting policy, a description of the transitional provisions, and the amount of the adjustment for each financial statement line item affected.
<b>Third statement of financial position</b>	AASB 101 <i>Presentation of Financial Statements</i> requires (subject to any specific transitional provisions of the relevant Accounting Standard) the presentation of a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements in a number of situations. This applies where an entity applies an accounting policy retrospectively and the retrospective application has a material effect on the information in the statement of financial position at the beginning of the preceding period.
<b>Earnings per share (EPS)</b>	Where applicable to the entity, AASB 133 <i>Earnings Per Share</i> requires basic and diluted EPS to be adjusted for the impacts of adjustments resulting from changes in accounting policies accounted for retrospectively and AASB 108 requires the disclosure of the amount of any such adjustments.

### **B2.1.2 Disclosing information about pronouncements not yet adopted**

The disclosure requirements required in relation to new and revised accounting pronouncements need to be carefully considered where they have not yet been adopted.

AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* requires an entity to disclose any known or reasonably estimable information about the possible impact that the application of Australian Accounting Standards on issue which have not been applied, including a discussion of the impact that initial application will have on the entity's financial statements.

ASIC, together with other global regulators, has previously strongly emphasised the need for publicly accountable entities to fully comply with these requirements, particularly where major new pronouncements may have a material impact on an entity's reported financial position or financial performance in future periods.

Entities need to ensure that they comply with the requirements of AASB 108 and respond to regulatory expectations.



**Australian-specific illustrative examples of the disclosures can be found in Appendix 2 in Note 2 (starting on page 261).**

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### **B2.1.3 Early adoption**

Where early adoption is being contemplated, it is important to address any necessary procedural requirements, e.g. for entities reporting under the Corporations Act, appropriate directors' resolutions for early adoption must be made under s.334(5).

## B2.2 Summary of new and amended pronouncements

### B2.2.1 Effective for the first-time at 30 June 2024

The table below summarises the amended reporting requirements that must be applied for the first time for financial years ending 30 June 2024 and half-years ending 30 June 2024.



See sections B2.3 to B2.6 for a summary of each pronouncement and Appendix 2 (starting on page 257) for illustrative disclosures

Pronouncements applicable to Tier 2 annual financial statements only are shaded in the tables below using grey colouring as illustrated here.

Pronouncements applicable to not-for-profit and public sector annual financial statements only are shaded in the tables below using teal colouring as illustrated here.

#### Pronouncement Change

##### Applicable to annual financial statements only

AASB 17 (new)	Insurance contracts (AASB 17 and related amendments) ( <a href="#">summary</a> )
AASB 1056	Revised superannuation entities standard (AASB 1056) ( <a href="#">summary</a> ) <sup>23</sup>
AASB 101/108	Disclosure of accounting policies and definition of accounting estimates (AASB 2021-2, AASB 2021-6) ( <a href="#">summary</a> )
AASB 112	Deferred tax related to assets and liabilities arising from a single transaction (AASB 2021-5) ( <a href="#">summary</a> )
Various	Editorial corrections and repeal of superseded and redundant standards (AASB 2022-7) ( <a href="#">summary</a> )
AASB 112	International tax reform – Pillar two model rules <sup>24</sup> (AASB 2023-2) ( <a href="#">summary</a> )

##### Applicable to half-year financial statements only

AASB 16	Lease liability in a sale and leaseback (AASB 2022-5) ( <a href="#">summary</a> )
AASB 101	Non-current liabilities with covenants (AASB 2020-1 and related amendments) ( <a href="#">summary</a> ) <sup>25</sup>
AASB 107/AASB 7	Supplier finance arrangements (AASB 2023-1) ( <a href="#">summary</a> )
AASB 112	International tax reform – Pillar two model rules <sup>26</sup> (AASB 2023-2) ( <a href="#">summary</a> )

<sup>23</sup> Applicable to superannuation entities only. See our [June 2024 superannuation entity model financial report](#) for illustrative disclosures for registered superannuation entities.

<sup>24</sup> Additional disclosures about the impact of Pillar Two on the entity (in which Pillar Two legislation is enacted or substantively enacted but not yet in effect) and disclosure of the amount of current tax arising from Pillar Two taxes as required by paragraphs 88B–88D of the amendments is effective for annual reporting periods beginning on or after 1 January 2023 that end on or after 30 June 2023. Therefore, these disclosures will be provided for the first time in full year reports ending 30 June 2024, unless the entity chose to provide such information prior to the mandatory application date.

<sup>25</sup> AASB 2022-6 is applied in conjunction with AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*, the effective date of which was amended by AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*.

AASB 2020-6, although itself is effective for annual reporting periods beginning on or after 1 January 2022 (the original effective date of AASB 2020-1), had the effect of deferring the effective date of the amendments in AASB 2020-1 to annual reporting periods beginning on or after 1 January 2023. AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants* further defers the mandatory application of those amendments to annual reporting periods beginning on or after 1 January 2024, in addition to amending original amendments.

<sup>26</sup> Additional disclosures about the impact of Pillar Two on the entity (in which Pillar Two legislation is enacted or substantively enacted but not yet in effect) and disclosure of the amount of current tax arising from Pillar Two taxes as required by paragraphs 88B–88D of the amendments is not required for any interim period ending on or before 31 December 2023. Therefore these disclosures will be provided for the first time in half-year reports ending 30 June 2024, unless the entity chose to provide such information prior to the mandatory application date.

Pronouncement	Change
<b>Applicable to Tier 2 financial statements only</b>	
AASB 1060	International tax reform – Pillar Two Model Rules: Tier 2 (AASB 2023-4) ( <a href="#">summary</a> )
AASB 1060	Disclosure of accounting policies: Tier 2 (AASB 2021-6) ( <a href="#">summary</a> )
AASB 1060	Disclosure of non-current liabilities with covenants (AASB 2023-3) ( <i>half-years only</i> ) ( <a href="#">summary</a> )
AASB 1060	Supplier finance arrangements: Tier 2 disclosures (AASB 2024-1) ( <i>half-years only</i> ) ( <a href="#">summary</a> )
<b>Applicable to not-for-profit and public sector financial statements only</b>	
AASB 13	Fair value measurement of non-financial assets of not-for-profit public sector entities (AASB 2022-10) ( <i>half years only</i> )
Various	Insurance contracts: consequential amendments (AASB 2022-8) ( <a href="#">summary</a> )



In addition to new pronouncements, entities should also consider the impacts of recent IFRS Interpretations Committee agenda decisions on the financial statements. A summary of recent agenda decisions can be found in section B2.7. All agenda decisions are available on the [IFRS website](#).

### B2.2.2 Pronouncements not yet effective for financial years ending 30 June 2024

The table below summarises the amended reporting requirements that are not effective for financial years ending 30 June 2024. See sections B2.3 to B2.6 for a summary of each pronouncement and Appendix 2 (starting on page 261) for illustrative disclosures.

Pronouncement	Change
<b>1 January 2024<sup>27</sup></b>	
AASB 101	Classification of liabilities as current or non-current/with covenants (AASB 2020-1 and related amendments) ( <a href="#">summary</a> ) <sup>28</sup>
AASB 16	Lease liability in a sale and leaseback (AASB 2022-5) ( <a href="#">summary</a> )
AASB 107/AASB 7	Supplier finance arrangements (AASB 2023-1) ( <a href="#">summary</a> )
AASB 1060	Disclosure of non-current liabilities with covenants: Tier 2 (AASB 2023-3) ( <a href="#">summary</a> )
AASB 1060	Supplier finance arrangements: Tier 2 disclosures (AASB 2024-1) ( <a href="#">summary</a> )
AASB 13	Fair value measurement of non-financial assets of not-for-profit public sector entities (AASB 2022-10) ( <a href="#">summary</a> )
<b>1 January 2025</b>	
AASB 10/AASB 128	Sale or contribution of assets between an Investor and its associate or joint venture (AASB 2014-10 and related amendments) ( <a href="#">summary</a> )
AASB 1/AASB 121/ AASB 1060	Lack of exchangeability (AASB 2023-5) ( <a href="#">summary</a> )
<b>1 July 2026 (public sector)</b>	
AASB 17/AASB 1050	Insurance contracts in the public sector (AASB 2022-9) ( <a href="#">summary</a> )

<sup>27</sup> These pronouncements are applicable for half-year financial reports at 30 June 2024.

<sup>28</sup> AASB 2022-6 is applied in conjunction with AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*, the effective date of which was amended by AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*.

AASB 2020-6, although itself is effective for annual reporting periods beginning on or after 1 January 2022 (the original effective date of AASB 2020-1), had the effect of deferring the effective date of the amendments in AASB 2020-1 to annual reporting periods beginning on or after 1 January 2023. AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants* further defers the mandatory application of those amendments to annual reporting periods beginning on or after 1 January 2024, in addition to amending original amendments.

## Pronouncement Change

### 1 January 2027

IFRS 18<sup>29</sup> Presentation and disclosure in financial statements ([summary](#))

## B.2.3 Pronouncements applicable to all entities

The table below outlines new and revised Standards (effective and not yet effective at 30 June 2024) which apply to all entities and indicates the effective date and whether it is applicable for reporting periods (full and half-year) ending 30 June 2024). Tier 1 entities are required to comply with all the recognition, measurement, presentation and disclosure requirements of all the pronouncements listed (from their mandatory application date). Tier 2 entities are required to comply with the recognition and measurement requirements of all pronouncements (from their mandatory application date) and are also required to apply most presentation requirements.

New or revised requirement	When effective	Applicability at 30 June 2024
<p><b>AASB 17 Insurance Contracts (as amended<sup>30</sup>)</b></p> <p>AASB 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes AASB 4 <i>Insurance Contracts</i>. AASB 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.</p> <p>The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.</p> <p>AASB 2020-5 reduces the costs of applying AASB 17 by simplifying some requirements, make an entity's financial performance relating to insurance contracts easier to explain and ease the transition to AASB 17. It also includes amendments to AASB 4 <i>Insurance Contracts</i> to permit eligible insurers to continue to apply AASB 139 <i>Financial Instruments: Recognition and Measurement</i> until they are required to apply AASB 9 <i>Financial Instruments</i> alongside AASB 17.</p> <p>Where AASB 17 and AASB 9 are applied at the same time or AASB 9 is applied before AASB 17, AASB 2022-1 amends AASB 17 by adding a transition option referred to as 'a classification overlay' relating to comparative information about financial assets presented on initial application of AASB 17 and AASB 9 <i>Financial Instruments</i>.</p>	<p>Annual reporting periods beginning on or after 1 January 2023<sup>32</sup></p> <p>Annual reporting periods beginning on or after 1 July 2026<sup>33</sup> (public sector entities)</p>	<p>Mandatory (full years)</p> <p>Already applied (half-years)</p>

<sup>29</sup> At the date of finalisation of this publication (9 April 2024), the AASB has not made an equivalent standard, but is expected to do so in due course. If the AASB makes an equivalent standard prior to finalisation of an entity's financial report, disclosures in the financial report should reference the Australian equivalent standard.

<sup>30</sup> AASB 17 is amended by AASB 2020-5 *Amendments to Australian Accounting Standards – Insurance Contracts*, AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (insofar as the Standard relates to editorial corrections that are effective for the current year and apply to AASB 17), AASB 2022-1 *Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information* and AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*.

<sup>32</sup> AASB 17 was originally effective for annual reporting periods beginning on or after 1 January 2021 but was deferred to annual reporting periods beginning on or after 1 January 2023 by AASB 2020-5. Although AASB 2020-5 is effective for annual periods beginning on or after 1 January 2021, its amendments have the effect of deferring the effective date of AASB 17 to annual reporting periods beginning on or after 1 January 2023 (in addition to amending AASB 17 and AASB 4).

<sup>33</sup> For public sector entities, AASB 2022-8 defers the mandatory application date of AASB 17 to annual periods beginning 1 July 2026 due to public-sector-specific modifications to AASB 17 via AASB 2022-8.

New or revised requirement	When effective	Applicability at 30 June 2024
<p><b>AASB 17 Insurance Contracts (as amended) (continued)</b></p> <p>AASB 2022-8 amends AASB 17 to repeal AASB 1038 <i>Life Insurance Contracts</i> (July 2004) and supersede Interpretation 1047 <i>Professional Indemnity Claims Liabilities in Medical Defence Organisations</i> for annual periods beginning on or after 1 January 2023<sup>31</sup>.</p> <p>AASB 2021-7 made a number of editorial amendments to Standards, which are effective for either annual periods beginning on or after 1 January 2022 or 1 January 2023 for those in respect of AASB 17.</p> <p>AASB 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.</p> <p>For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.</p> <p>More information:</p> <ul style="list-style-type: none"> <li>• <a href="#">IFRS in Focus</a> IASB issues IFRS 17 – Insurance Contracts</li> <li>• <a href="#">IFRS in Focus</a> IASB issues amendments to IFRS 17 Insurance Contracts</li> <li>• <a href="#">IFRS in Focus</a> IASB amends the transition requirements of IFRS 17</li> <li>• <a href="#">iGAAP in Focus</a> Financial reporting: Closing out (June 2023)</li> <li>• <a href="#">Summary of IFRS 17</a></li> </ul>		
<p><b>AASB 1056 Superannuation Entities</b></p> <p>Specifies the requirements for the general purpose financial statements of superannuation entities. This revised standard does not change the financial reporting requirements applying to superannuation entities but makes the standard a legislative instrument under the Corporations Act. This revised version was required as registrable superannuation entities are required to prepare and lodge audited financial reports under the Corporations Act for financial years ending on or after 30 June 2024.</p>	<p>Annual reporting periods beginning on or after 1 July 2023 that end on or after 31 December 2023</p>	<p>Mandatory (for superannuation entities. Standard is not applicable for non-superannuation entities)</p>

<sup>31</sup> AASB 2022-8 also amends a number of Standards to permit public sector entities to continue applying AASB 4 *Insurance Contracts* and AASB 1023 *General Insurance Contracts* to annual periods beginning on or after 1 January 2023 but before 1 July 2026. (See B2.5)

New or revised requirement	When effective	Applicability at 30 June 2024
<p><b>AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (as amended<sup>34</sup>),</b> The amendments to AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture.</p>	<p>Annual reporting periods beginning on or after 1 January 2025 (see note in previous column)</p>	<p>Mandatory (editorial corrections)  Optional (main amendments)</p>
<p>Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors/ interests in the new associate or joint venture.</p>		
<p><i>Note: The equivalent amendments to IFRS 10 and IAS 28 have no set commencement date due to amendments made by the IASB, pending further research in other projects. AASB 2015-10 extended the application date of the equivalent amendments to 1 January 2018. AASB 2017-5 extended the application date of the amendments from 1 January 2018 to 1 January 2022, and also made a number of editorial amendments to other standards which are effective for annual periods beginning on or after 1 January 2018. AASB 2021-7 then further extended the application date of the amendments from 1 January 2022 to 1 January 2025, and also made a number of editorial amendments to other standards, which are effective for either annual periods beginning on or after 1 January 2022 or 1 January 2023 (for those in respect of AASB 17 'Insurance Contracts').</i></p>		
<p>More information: <a href="#">IFRS in Focus</a> IASB publishes amendments to IFRS 10 and IAS 28 (2011) dealing with the sale or contribution of assets between an Investor and its Joint Venture or associate.</p>		

<sup>34</sup> AASB 2015-10 is amended by AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*, AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*, AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*.



New or revised requirement	When effective	Applicability at 30 June 2024
<p><b>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date and 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants</b></p> <p>The amendments to AASB 101 <i>Presentation of Financial Statements</i> affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p>	<p>Annual reporting periods beginning on or after 1 January 2024 (see note in previous column)</p>	<p>Mandatory (half-years)</p> <p>Optional (full years)</p>

Together, these amendments:

- Introduce a definition of 'settlement' that makes it clear that settlement refers to the transfer to the counterparty of cash, other economic resources (such as goods or services) or an entity's own equity instruments
- Clarify that the classification of liabilities as current or non-current is based on rights that exist at the end of the reporting period
- Specify that classification is unaffected by the likelihood that the entity will exercise its right to defer settlement of a liability (e.g. if management intends to settle the liability within 12 months after the reporting date)
- Specify the impact of covenants on an entity's right to defer settlement for at least 12 months (in that only covenants which the entity is required to comply with on or before the reporting date affect that right)
- Introduce a requirement to disclose information in the notes which enables users of financial statements to understand the risk that non-current liabilities with covenants may become repayable within 12 months
- Defer the application of the amendments to financial reporting periods beginning on or after 1 January 2024.

*Note: AASB 2022-6 is applied in conjunction with AASB 2020-1, the effective date of which was amended by AASB 2020-6. AASB 2020-6, although itself effective for annual reporting periods beginning on or after 1 January 2022 (the original effective date of AASB 2020-1), has the effect of deferring the effective date of the amendments in AASB 2020-1 to annual reporting periods beginning on or after 1 January 2023. AASB 2022-6 further defers the mandatory application of those amendments to annual reporting periods beginning on or after 1 January 2024, in addition to amending original amendments.*

More information:

- [IFRS in Focus](#) IASB issues amendments to IAS 1 regarding the classification of liabilities with covenants
- [IFRS in Focus](#) IASB amends IAS 1 to clarify the classification of liabilities as current or non-current (original amendments)
- [IFRS in Focus](#) IASB defers effective date for 'Classification of Liabilities as Current or Non-current'

New or revised requirement	When effective	Applicability at 30 June 2024
<p><b>AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates and 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards</b></p> <p>Amends AASB Standards to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates. Specifically, it amends:</p> <ul style="list-style-type: none"> <li>• AASB 101 <i>Presentation of Financial Statements</i>, to require entities to disclose their material accounting policy information rather than their significant accounting policies</li> <li>• AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates</li> <li>• AASB 7 <i>Financial Instruments: Disclosures</i>, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements</li> <li>• AASB 134 <i>Interim Financial Reporting</i>, to identify material accounting policy information as a component of a complete set of financial statements</li> <li>• AASB 1049 <i>Whole of Government and General Government Sector Financial Reporting</i>, to require entities to disclose their material accounting policy information rather than their significant accounting policies</li> <li>• AASB 1054 <i>Australian Additional Disclosures</i>, to reflect the updated terminology used in AASB 101</li> <li>• AASB 1060 <i>General Purpose Financial Statements- Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>, to require entities to disclose their material accounting policy information rather than their significant accounting policies and to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements</li> <li>• AASB Practice Statement 2 <i>Making Materiality Judgements</i>, to provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures (see note).</li> </ul>	<p>Annual reporting periods beginning on or after 1 January 2023 (see note in first column for AASB Practice Statement 2)</p>	<p>Mandatory (full years)</p> <p>Already applied (half-years)</p> <p>(see note in first column for AASB Practice Statement 2)</p>
<p><i>Note: AASB Practice Statement 2 provides non-mandatory guidance on making materiality judgements when preparing general purpose financial statements in accordance with Australian Accounting Standards. Therefore there is no mandatory effective date and further, application is not required to state compliance with Australian Accounting Standards or IFRS Accounting Standards.</i></p>		
<p>More information:</p>		
<ul style="list-style-type: none"> <li>• <a href="#">IFRS in Focus</a> IASB amends IAS 1 and IFRS Practice Statement 2 with regard to the disclosure of accounting policies</li> <li>• <a href="#">IFRS in Focus</a> IASB amends IAS 8 to clarify the definition of accounting estimates</li> <li>• <a href="#">iGAAP in Focus</a> Financial reporting: Closing out (September 2023).</li> </ul>		

New or revised requirement	When effective	Applicability at 30 June 2024
<p><b>AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</b></p> <p>The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.</p> <p>Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying AASB 16 <i>Leases</i> at the commencement date of a lease.</p> <p>Following the amendments to AASB 112 <i>Income Taxes</i>, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in AASB 112.</p> <p>The amending standards also adds an illustrative example to AASB 112 that explains how the amendments are applied.</p> <p>The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:</p> <ul style="list-style-type: none"> <li>• A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with: <ul style="list-style-type: none"> <li>• Right-of-use assets and lease liabilities</li> <li>• Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset</li> </ul> </li> <li>• The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.</li> </ul> <p>More information: <a href="#">IFRS in Focus</a> IASB amends IAS 12 for deferred tax related to assets and liabilities arising from a single transaction.</p>	<p>Annual reporting periods beginning on or after 1 January 2023</p>	<p>Mandatory (<i>full years</i>)</p> <p>Already applied (<i>half-years</i>)</p>
<p><b>AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</b></p> <p>Amends AASB 16 <i>Leases</i> to require a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains. This is achieved by requiring the expected variable lease payments to be included in the lease liability. This is the only type of lease liability that includes variable payments as all 'normal' lease liabilities only include fixed payments (do not include variable lease payments which do not depend on an index or rate).</p> <p>More information: <a href="#">iGAAP in Focus</a> IASB amends IFRS 16 <i>Leases</i> to add subsequent measurement requirements for lease liabilities arising from sale and leaseback transactions.</p>	<p>Annual reporting periods beginning on or after 1 January 2024</p>	<p>Mandatory (<i>half-years</i>)</p> <p>Optional (<i>full years</i>)</p>

New or revised requirement	When effective	Applicability at 30 June 2024
<p><b>AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards</b>                      Makes editorial corrections to six Standards and AASB Practice Statement 2 <i>Making Materiality Judgements</i>. The corrections include corrections made by the IASB to IFRS Accounting Standards since June 2021.</p>	Annual reporting periods beginning on or after 1 January 2023	Mandatory (full years)  Already applied (half-years)
<p>AASB 2022-7 also repeals Australian Accounting Standards that have been superseded by other Standards but not formally repealed. It also repeals Standards that amend other Standards as their principal purpose but which have not been formally repealed, provided their Parliamentary disallowance period and legal commencement date have passed.</p>		
<p><b>AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements</b>                      Amends:</p> <ul style="list-style-type: none"> <li>AASB 107 <i>Statement of Cash Flows</i> to require entities to provide qualitative and quantitative information about its supplier finance arrangements</li> <li>AASB 7 <i>Financial Instruments: Disclosures</i> by adding supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.</li> </ul>	Annual reporting periods beginning on or after 1 January 2024	Mandatory (half-years)  Optional (full years)
<p>Transitional reliefs (which include not requiring the disclosure of comparative information) are available for the first annual reporting period in which an entity applies the amendments.</p>		
<p>More information: <a href="#">iGAAP in Focus</a> <i>IASB amends IAS 7 and IFRS 7 to address supplier finance arrangements</i>.</p>		
<p><b>AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules</b>                      Amends AASB 112 <i>Income Taxes</i> to introduce:</p> <ul style="list-style-type: none"> <li>A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the Organisation for Economic Co-operation and Development (OECD) Pillar Two reforms</li> <li>Disclosure requirements to help financial statement users understand an entity's exposure to income taxes arising from the reform, particularly in periods before legislation implementing the rules is in effect.</li> </ul>	Annual reporting periods beginning on or after 1 January 2023 that end on or after 30 June 2023 (see note)	Part already applied / Part mandatory (see note for half-years)
<p><i>Note: Additional disclosures about the impact of Pillar Two on the entity (in which Pillar Two legislation is enacted or substantively enacted but not yet in effect) and disclosure of the amount of current tax arising from Pillar Two taxes as required by paragraphs 88B–88D of the amendments is not required for any interim period ending on or before 31 December 2023.</i></p>		
<p>For more information see:</p> <ul style="list-style-type: none"> <li><a href="#">Clarity publication</a> <i>Responding to Pillar Two</i></li> <li><a href="#">iGAAP in Focus</a> <i>IASB amends IAS 12 to introduce a temporary exception from accounting for deferred taxes arising from OECD Pillar Two model rules.</i></li> </ul>		

New or revised requirement	When effective	Applicability at 30 June 2024
<p><b>AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability</b>                      Amends AASB 121 <i>The Effects of Changes in Foreign Exchange Rates</i> by specifying how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.</p> <p>When a currency is not exchangeable at the measurement date, an entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction at the measurement date between market participants under prevailing economic conditions. In that case, an entity is required to disclose information that enables users of its financial statements to evaluate how the currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows.</p> <p>An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.</p> <p>More information: <a href="#">iGAAP in Focus</a> <i>IASB amends IAS 21 to clarify when a currency is exchangeable and how to determine the exchange rate when it is not.</i></p>	<p>Annual reporting periods beginning on or after 1 January 2025</p>	<p>Optional</p>

## B2.4 Pronouncements applicable to Tier 2 entities only

The table below outlines new and revised Standards (effective and not yet effective at 30 June 2024) which apply to all entities and indicates the effective date and whether it is applicable for reporting periods (full and half-year) ending 30 June 2024 for Tier 2 entities only. Tier 2 entities are required to comply with the recognition and measurement requirements of all pronouncements (from their mandatory application date) and are also required to apply most presentation requirements.

New or revised requirement	When effective	Applicability at 30 June 2024
<p><b>AASB 2023-3 Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2</b></p> <p>Consistent with the amendments made by AASB 2020-1 and AASB 2022-6 for Tier 1 reporting requirements, this Standard amends AASB 1060 to clarify how conditions which an entity must comply with, within twelve months after the reporting period affect the classification of a liability. Specifically, it:</p> <ul style="list-style-type: none"> <li>Clarifies that a liability is classified as non-current if an entity has the right at the reporting date to defer settlement of the liability for at least twelve months after the reporting date</li> <li>Clarifies the reference to settlement of a liability by the issue of equity instruments in classifying liabilities</li> <li>Requires disclosure that enables users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.</li> </ul>	<p>Annual reporting periods beginning on or after 1 January 2024</p>	<p>Mandatory (<i>half-years</i>)</p> <p>Optional (<i>full years</i>)</p>
<p><b>AASB 2023-4 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules: Tier 2 Disclosures</b></p> <p>Amends AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i> to require a Tier 2 entity to disclose:</p> <ul style="list-style-type: none"> <li>It has applied the exception to recognising and disclosing information about deferred taxes related to Pillar Two income taxes</li> <li>Its current tax expense related to Pillar Two income taxes.</li> </ul> <p>Furthermore, the amendments clarify that enactment or substantive enactment of tax rates and tax laws (such as Pillar Two legislation) is an ‘other event’ that would trigger disclosure of current and deferred tax consequences of recognised transactions and other events<sup>35</sup>.</p> <p>Amends AASB 112 <i>Income Taxes</i> to extend the exemption from complying with the disclosure requirements of AASB 112 for entities that apply AASB 1060 to confirm Tier 2 entities are not required to comply with the disclosure requirements in AASB 112.</p>	<p>Annual reporting periods beginning on or after 1 January 2023 that end on or after 30 September 2023</p>	<p>Mandatory</p>

<sup>35</sup> Notwithstanding the requirement in AASB 1060:176 to disclose “the current and deferred tax consequences of recognised transactions and other events”, the prohibition on the recognition or disclosure of deferred tax assets and liabilities related to Pillar Two income taxes in AASB 112 *Income Taxes* would effectively prohibit the entity from providing any information about deferred taxes related to Pillar Two income taxes. Accordingly, an entity would instead provide information about the likely current tax impacts of enacted or substantively enacted Pillar Two legislation in a similar way to that required in Tier 1 financial statements.

New or revised requirement	When effective	Applicability at 30 June 2024
<p><b>AASB 2024-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements: Tier 2 Disclosures</b></p> <p>Amends AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i> to require an entity to disclose for its supplier finance arrangements:</p> <ul style="list-style-type: none"> <li>• Terms and conditions of the arrangements</li> <li>• Carrying amounts and associated line items in the statement of financial position of the financial liabilities that are part of a supplier finance arrangement and the carrying amounts and associated line items where suppliers have already been paid (as at the beginning and end of the period)</li> <li>• The range of payment due dates for supplier finance arrangements and comparable trade payables that are not part of a supplier finance arrangement (at the beginning and end of the period)</li> <li>• The type and effect of non-cash changes in the carrying amounts of financial liabilities of financial liabilities that are part of a supplier finance arrangement.</li> </ul> <p>More information: <a href="#">iGAAP in Focus</a> <i>IASB amends IAS 7 and IFRS 7 to address supplier finance arrangements.</i></p>	<p>Annual periods beginning on or after 1 January 2024 that end on or after 30 June 2024</p>	<p>Mandatory (<i>half-years</i>)</p> <p>Optional (<i>full years</i>)</p>

## B2.5 Pronouncements applicable to not-for-profit entities and public sector entities only

The table below outlines new and revised pronouncements which apply only to not-for-profit and public entities.

New or revised requirement	When effective	Applicability at 30 June 2024
<p><b>AASB 17 Insurance Contracts (and related amending Standards), AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments and AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</b></p> <p>AASB 2022-8 makes amendments to all Australian Accounting Standards that refer to AASB 17 <i>Insurance Contracts</i> to permit public sector entities (both for-profit and not-for-profit entities) to continue to apply AASB 4 <i>Insurance Contracts</i> and AASB 1023 <i>General Insurance Contracts</i> until annual periods beginning on or after 1 July 2026, when they are required to apply AASB 17.</p> <p>It also repeals AASB 1038 <i>Life Insurance Contracts</i> and supersedes Interpretation 1047 <i>Professional Indemnity Claims Liabilities in Medical Defence Organisations</i> for annual periods beginning on or after 1 January 2023, on the basis that AASB 17 applies to those periods in respect of private sector entities and the pronouncements are not relevant to public sector entities.</p> <p>AASB 2022-9 amends AASB 17 <i>Insurance Contracts</i> to include modifications that apply to public sector entities. This Standard also amends AASB 1050 <i>Administered Items</i> to provide an accounting policy choice for government departments to apply either AASB 17 or AASB 137 <i>Provisions, Contingent Liabilities and Contingent Liabilities</i> in determining the information to be disclosed about administered captive insurer activities.</p>	<p>Annual reporting periods beginning on or after 1 January 2023 (AASB 2022-8)</p> <p>Annual reporting periods beginning on or after 1 July 2026 (AASB 2022-9)</p>	<p>Mandatory (AASB 2022-8)</p> <p>Optional (AASB 2022-9)</p>
<p><b>AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</b></p> <p>Amends AASB 13 <i>Fair Value Measurement</i> to add authoritative implementation guidance and related illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.</p>	<p>Annual reporting periods beginning on or after 1 January 2024</p>	<p>Mandatory (half-years where prepared)</p> <p>Optional (full year)</p>



## B2.6 International pronouncements not yet issued in Australia

The table below outlines pronouncements made by the IASB or IFRS Interpretations Committee, where an equivalent pronouncement has not yet been made by the AASB at the date of this publication.

New or revised requirement	When effective	Applicability at 30 June 2024
<p><b>IFRS 18 Presentation and Disclosure in Financial Statements</b></p> <p>Replaces IAS 1 <i>Presentation of Financial Statements</i>, introducing enhanced requirements for the presentation of financial statements, including:</p> <ul style="list-style-type: none"> <li>In the statement of profit or loss, introducing new required categories (operating, investing and financing) and subtotals ('operating profit' and 'profit before financing and income taxes')</li> <li>Disclosures about management-defined performance measures (MPMs), limited to subtotals of income and expenses and requiring: <ul style="list-style-type: none"> <li>A reconciliation of the MPM to an IFRS-defined subtotal</li> <li>An explanation of why the MPM is reported</li> <li>An explanation of how the MPM is calculated</li> <li>An explanation of any changes to the MPM</li> </ul> </li> <li>Enhanced guidance on grouping of information (aggregation and disaggregation), including guidance on whether information should be presented in the primary financial statements or disclosed in the notes, and disclosures about items labelled as 'other'.</li> </ul>	Annual reporting periods beginning on or after 1 January 2027	Optional (once an equivalent standard is made by the AASB)
<p><b>Editorial corrections</b></p> <p>A correction to rectify reference to "Entity A" instead of "Entity B" in the last sentence of paragraph IE11 of the revised version of IFRS 3 <i>Business Combinations</i> (January 2008). The correction has also been made in the compilation of IFRS Accounting Standards and Annotated IFRS Accounting Standards issued at 1 January 2023.</p>	August 2023 (date posted)	(see note)

*Note: An equivalent pronouncement will not be made by the AASB as it relates to support material (specifically Illustrative Examples) which are not included in AASB Standards or its framework documents.*

## B2.7 IFRS Interpretations Committee agenda decisions

Along with its activity developing formal interpretations of IFRS and proposing that the IASB make amendments to Standards, the IFRS Interpretations Committee regularly publishes summaries of issues that it has decided not to add to its agenda, often accompanied by a discussion of the accounting issue submitted.

Whilst the commentary included in an agenda decision is not formally part of IFRS, it is an important source of guidance that should be carefully considered when selecting a suitable accounting policy. In many jurisdictions there is an expectation from regulators that agenda decisions will be considered, with the European Securities and Markets Authority (ESMA), for example, publicly stating an expectation to this effect. In Australia, the AASB has indicated that an entity is required to apply the Standards, reflecting the explanatory material in a relevant agenda decision.

The table below outlines the agenda decisions published by the Committee since July 2022, grouped by the standards to which they relate. Where a decision relates to more than one standard, it is listed under each standard. Links in the table are to the IASB website. The IASB has also released nine volumes of its *Compilation of agenda decisions*, covering all agenda decisions from January 2019 to October 2023. The documents are available at [www.ifrs.org](http://www.ifrs.org).

Tentative agenda decisions are available at [www.ifrs.org](http://www.ifrs.org).

Pronouncement	Agenda decision topic	Month finalised	More information
<b>IFRS 2 Share-based Payment</b>	Special purpose acquisition companies (SPACs): Accounting for warrants at acquisition	October 2022	<a href="#">Agenda decision</a>
<b>IFRS 9 Financial Instruments</b>	Premiums receivable from an intermediary	October 2023	<a href="#">Agenda decision</a>
	Guarantee over a derivative contract	October 2023	<a href="#">Agenda decision</a>
	Homes and home loans provided to employees <sup>36</sup>	October 2023	<a href="#">Agenda decision</a>
	Lessor forgiveness of lease payments	October 2022	<a href="#">Agenda decision</a>
<b>IFRS 16 Leases</b>	Homes and home loans provided to employees <sup>37</sup>	October 2023	<a href="#">Agenda decision</a>
	Definition of a lease — Substitution rights	April 2023	<a href="#">Agenda decision</a>
	Lessor forgiveness of lease payments	October 2022	<a href="#">Agenda decision</a>
<b>IFRS 17 Insurance Contracts</b>	Premiums receivable from an intermediary	October 2023	<a href="#">Agenda decision</a>
	Multi-currency groups of insurance contracts	October 2022	<a href="#">Agenda decision</a>
	Transfer of insurance coverage under a group of annuity contracts	July 2022	<a href="#">Agenda decision</a>
<b>IAS 19 Employee Benefits</b>	Homes and home loans provided to employees <sup>38</sup>	October 2023	<a href="#">Agenda decision</a>
<b>IAS 21 The Effects of Changes in Foreign Exchange Rates</b>	Multi-currency groups of insurance contracts	October 2022	<a href="#">Agenda decision</a>
<b>IAS 27 Separate Financial Statements</b>	Merger between a parent and its subsidiary in separate financial statements	January 2024	<a href="#">Agenda decision</a>

<sup>36</sup> The [agenda decision](#) does not mention particular standards as the IFRS Interpretations Committee performed no technical analysis of the subject matter of the agenda decision as the issue was not seen to be “widespread”. Accordingly, explanatory material often included in an agenda decision was not included in this decision, as under the IASB [Due Process Handbook](#) such explanatory material would ordinarily only be included when the reason for not adding a standard-setting project on the work plan is the Committee’s conclusion that the principles and requirements in IFRS Accounting Standards provide an adequate basis for an entity to determine the required accounting. However, the papers considered by the Committee in [March 2023](#) and [September 2023](#) discuss various possible treatments (without discussing the technical merit of those treatments). We have listed the agenda decision under the IFRS Accounting Standards mentioned in those papers (i.e. IFRS 9 *Financial Instruments*, IFRS 16 *Leases* and IAS 19 *Employee Benefits*).

<sup>37</sup> See footnote 36

<sup>38</sup> See footnote 36

Pronouncement	Agenda decision topic	Month finalised	More information
<b>IAS 32 Financial Instruments: Presentation</b>	Special purpose acquisition companies (SPACs): Accounting for warrants at acquisition	October 2022	<a href="#">Agenda decision</a>
	Special purpose acquisition companies (SPACs): Classification of public shares as financial liabilities or equity	July 2022	<a href="#">Agenda decision</a>
<b>IAS 37 Provisions, Contingent Liabilities and Contingent Assets</b>	Negative low emissions vehicle credits	July 2022	<a href="#">Agenda decision</a>

## B2.8 ISSB pronouncements

The table below outlines the sustainability disclosure standards made by the ISSB. The Standards are not mandatory in Australia. The AASB is currently consulting on sustainability standards to be issued in Australia. For more information see section B1.5 specifically section *Australian developments* on page B-35.

New or revised requirement	Effective date
<p><b>IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information</b></p> <p>Sets out overall principles for sustainability reporting:</p> <ul style="list-style-type: none"> <li>Includes a requirement to identify and disclose material information about all sustainability-related risks and opportunities, not only climate-related risks and opportunities, that could reasonably be expected to affect an entity's prospects (subject to a transitional relief)</li> <li>Provides guidance on how to develop disclosures for a topic to which no IFRS Sustainability Disclosure Standard applies.</li> </ul> <p>More information:</p> <ul style="list-style-type: none"> <li><a href="#">Section B1.5.1</a></li> <li><a href="#">iGAAP in Focus Sustainability reporting: ISSB publishes first IFRS Sustainability Disclosure Standards</a></li> <li><a href="#">ISSB overview webcast</a> on IFRS S1.</li> </ul>	Annual reporting periods beginning on or after 1 January 2024
<p><b>IFRS S2 Climate-related Disclosures</b></p> <p>Sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.</p> <p>Applies to:</p> <ul style="list-style-type: none"> <li>Climate-related risks to which the entity is exposed, which are climate-related physical risks and climate-related transition risks</li> <li>Climate-related opportunities available to the entity.</li> </ul> <p>More information:</p> <ul style="list-style-type: none"> <li><a href="#">Section B1.5.1</a></li> <li><a href="#">iGAAP in Focus Sustainability reporting: ISSB publishes first IFRS Sustainability Disclosure Standards</a></li> <li><a href="#">ISSB overview webcast</a> on IFRS S2.</li> </ul>	Annual reporting periods beginning on or after 1 January 2024

## B2.9 Corporations Act 2001 developments

The following amendments and regulations relevant to financial reporting have been made which impact full or half-year financial reports for the first time for at the 30 June 2024 reporting period or which are effective in future periods.

Development	When effective
<p><b>Treasury Laws Amendment (2022 Measures No. 4) Act 2023</b></p> <p>Amends the following:</p> <ul style="list-style-type: none"> <li>• <i>Income Tax Assessment Act 1997</i> to provide for a 30% refundable tax offset in relation to the development of digital games in Australia</li> <li>• <i>Income Tax (Transitional Provisions) Act 1997</i> to provide for temporary measures allowing certain small businesses to access 20% bonus deductions for eligible expenditure incurred on external training for employees, and expenses and depreciating assets for the purpose of digitising operations</li> <li>• <i>Corporations Act 2001</i>, <i>Australian Securities and Investments Commission Act 2001</i> and <i>Superannuation Industry (Supervision) Act 1993</i> to extend existing reporting and auditing requirements to registerable superannuation entities.</li> </ul>	1 July 2023
<p><b>Treasury Laws Amendment (Financial Reporting and Auditing of Registrable Superannuation Entities) Regulations 2023</b></p> <p>Amends the <i>Corporations Regulations 2001</i> and <i>Superannuation Industry (Supervision) Regulations 1994</i> to prescribe requirements for the preparation, lodgement, disclosure and publication of information and documents by registerable superannuation entities to improve the compliance and transparency of the superannuation sector. This follows on from the amendments to <i>Corporations Act 2001</i>, <i>Australian Securities and Investments Commission Act 2001</i> and <i>Superannuation Industry (Supervision) Act 1993</i> to extend existing reporting and auditing requirements to registerable superannuation entities (through the <i>Treasury Laws Amendment (2022 Measures No. 4) Act 2023</i>).</p>	8 July 2023
<p><b>Treasury Laws Amendment (Modernising Business Communications and Other Measures) Act 2023</b></p> <p>Amends the:</p> <ul style="list-style-type: none"> <li>• <i>Corporations Act 2001</i> to enable all documents under the Act to be signed electronically and for certain documents to be sent in either hard copy or electronic form. It also provides that companies are not required to send document to a member where contact details are known to be incorrect</li> <li>• <i>Australian Prudential Regulation Authority Act 1998</i>, <i>Australian Securities and Investments Commission Act 2001</i>, <i>Competition and Consumer Act 2010</i>, <i>National Consumer Credit Protection Act 2009</i> and <i>Tax Agent Services Act 2009</i> to enable certain regulatory bodies to hold virtual hearings and examinations</li> <li>• <i>Australian Securities and Investments Commission Act 2001</i>, <i>Corporations Act 2001</i>, <i>ASIC Supervisory Cost Recovery Levy Act 2017</i> and <i>Taxation Administration Act 1953</i> to: remove erroneous references and redundant definitions; apply consistent headings to definitions sections; and make minor technical amendments.</li> </ul>	15 September 2023

Development	When effective
<p><b>Treasury Laws Amendment (2023 Law Improvement Package No. 1) Act 2023</b></p> <p>Amends various acts to simplify wording, clarify meanings and to make minor changes throughout, including to financial reporting. These amendments are a partial response to the <i>Review of the Legislative Framework for Corporations and Financial Services Legislation</i>. In general, the measures have minor impacts, e.g. clarifying how terms are to be interpreted, and are mostly innocuous.</p> <p>The amendments unfreeze the <i>Acts Interpretation Act 1901</i> (AIA) so that the current version of the AIA applies to the Corporations Act and the <i>Australian Securities and Investments Commission Act 2001</i> (ASIC Act). The Corporations Act and ASIC Act apply the version of the AIA in force on 1 January 2005. The calculation of time is the most significant change to the AIA since 1 January 2005 as described below:</p> <ul style="list-style-type: none"> <li>• Frozen AIA: calculates a period of time exclusive of the first day of that period</li> <li>• Unfrozen AIA: includes the first day</li> <li>• Frozen AIA: if the last day for doing a thing falls on a Saturday, Sunday, 'public holiday or bank holiday', it may be done on the next day</li> <li>• Unfrozen AIA: refers generally to 'holidays' which includes a day on which the place where the thing is to be done is closed.</li> </ul> <p>Further the Act amends the bespoke rules for calculating time in the Corporations Act to ensure that the rules in the frozen AIA (as modified by the Corporations Act) continue to apply. In terms of these bespoke rules when calculating how many days a particular day is before or after another day, the first day is to be counted but not the other day. Further, the definition of 'business day' includes 'bank holidays'. The Act also clarifies that this applies to instruments made under the Corporations Act. Other differences between the frozen and unfrozen AIA are minor.</p>	<p>20 September 2023 – 9 November 2023</p>
<p><b>Treasury Laws Amendment (2023 Measures No. 1) Act 2023</b></p> <p>Amends the following:</p> <ul style="list-style-type: none"> <li>• <i>Income Tax Assessment Act 1997</i> so that past franked distributions cannot give rise to retrospective liabilities for shareholders in respect of arrangements which may have been used by companies for releasing franking credits or streaming dividends to shareholders (franked distributions funded by capital raisings). The explanatory memorandum accompanying the legislation further clarifies that the measure does not apply to dividend reinvestment plans</li> <li>• <i>Income Tax Assessment Act 1936</i> to treat off-market share buy-backs in the same way as on-market buy-backs. Therefore entities will no longer be able to use off-market share buy-backs as a way to distribute excess franking credits. This may change capital management processes and could impact the associated capital management disclosures required under AASB 101 <i>Presentation of Financial Statements</i></li> <li>• <i>Australian Securities and Investments Commission Act 2001</i> to provide the AASB with functions to develop and formulate sustainability standards, expands the AUASB's functions to include formulating auditing and assurance standards for sustainability purposes, and expands the Financial Reporting Council's oversight and governance powers to account for the development of sustainability standards.</li> </ul>	<p>28 November 2023</p> <p>1 January 2024</p> <p>27 November 2023</p>

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**Development**

**When effective**

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***Treasury Laws Amendment (Making Multinationals Pay Their Fair Share—Integrity and Transparency) Act 2023***

1 July 2023

Amends the following:

- Corporations Act to require Australian public companies (listed and unlisted) to disclose information about subsidiaries in their annual financial reports. See section B1.4.3 on page B-26 for more information
  - *Income Tax Assessment Act 1936*, *Income Tax Assessment Act 1997* and *Taxation Administration Act 1953* to amend Australia's thin capitalisation regime for most general class entities to align with the OECD's earnings-based best practice model which allows an entity to deduct net interest expense up to a benchmark earnings ratio. The amended rules limit an entity's debt deductions to 30% of its tax EBITDA (unless other options are available to the entity and are elected to apply). See section *Changes to thin capitalisation rules* on page B-15 for more information.
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## B2.10 ASIC

The tables below outlines financial reporting related ASIC instruments, regulatory guides and other guidance which has been issued, updated or effective since 1 July 2023. Links are to the ASIC website, or [www.legislation.gov.au](http://www.legislation.gov.au).

### B2.10.1 ASIC pronouncements

Document	Effective date	Link to document
<p><b>ASIC Corporations (Amendment) Instrument 2024/187</b></p> <p>Extends the application of the following instruments for a further five year period:</p> <ul style="list-style-type: none"> <li>ASIC Corporations (Auditor Independence) Instrument 2021/75, which provides the lead auditor for an audit relief from the requirement to disclose a contravention of paragraph R510.4(c) of APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i>. This instrument is now effective until 30 April 2029</li> <li>ASIC Corporations (Parent Entity Financial Statements) Instrument 2021/195, which allows a parent entity, which is required to include consolidated financial statements in its financial report to also include its single entity financial statements in that report. This instrument is now effective until 1 April 2029.</li> </ul> <p>The Corporations Instrument also extends the relief in these two instruments to apply to registrable superannuation entities in addition to companies, registered managed investment schemes and other disclosing entities.</p> <p>For more information see <a href="#">ASIC news</a> <i>ASIC extends and amends parent entity financial statement and auditor independence instruments</i>.</p>	22 March 2024	<a href="#">ASIC-CI-2024/187</a> <a href="#">ASIC-CI-2021/195</a> <a href="#">ASIC-CI-2021/75</a>
<p><b>ASIC Corporations (Amendment) Instrument 2023/142</b></p> <p>Amends the following instruments to permit registrable superannuation entities and corporate collective investment vehicles or CCIVs to take advantage of relief available to other entities reporting under the Corporations Act:</p> <ul style="list-style-type: none"> <li>ASIC Corporations (Post Balance Date Reporting) Instrument 2015/842 Permits the presentation of a statement of financial position (and where applicable a consolidated statement of financial position) in the notes to the financial statements explaining the financial effect of material acquisitions and disposals of entities and businesses after the balance date</li> <li>ASIC Corporations (Disclosing Entities) Instrument 2016/190 Relieves entities from the disclosing entity requirements of Chapter 2M of the Corporations Act where the entity ceases to be a disclosing entity before their deadline and the directors resolve that there are no reasons to believe that the entity may become a disclosing entity before the end of the next financial year. Furthermore, it relieves a disclosing entity from the requirement to prepare and lodge a half-year financial report and directors' report during the first financial year of the entity, where that first financial year lasts for 8 months or less, provided certain conditions are satisfied</li> <li>ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 Permits rounding off in the directors' report and financial report where total assets exceed \$10 million, \$1,000 million and \$10,000 million.</li> </ul>	5 January 2024	<a href="#">ASIC-CI-2023/142</a> <a href="#">ASIC-CI-2015/842</a> <a href="#">ASIC-CI-2016/190</a> <a href="#">ASIC-CI-2016/191</a>
<p><b>ASIC Corporations (Financial Reporting by Stapled Entities) Instrument 2023/673</b></p> <p>Replaces ASIC Class Order [CO 13/1050] <i>Financial reporting by stapled entities</i> with substantially the same relief which allows stapled entities which are disclosing entities to present combined financial statements or consolidated financial statements of the stapled group where they have prepared combined financial statements or consolidated financial statements for a previous reporting period.</p>	23 September 2023	<a href="#">ASIC-CI-2023/673</a>

Document	Effective date	Link to document
<p><b>Australian financial services licensees and platforms instruments</b></p> <p>Remade the below four instruments in relation to responsible entities of registered schemes, operators of investor directed portfolio services (IDPS), retail CCIVs and licensed custodians. The revised instruments are largely consistent with previous requirements. Whilst primarily focused on financial services regulatory requirements, some instruments contain explicit reporting requirements.</p> <ul style="list-style-type: none"> <li> <p><i>ASIC Corporations (Financial Requirements for Responsible Entities, IDPS Operators and Corporate Directors of Retail CCIVs) Instrument 2023/647</i></p> <p>Applies to responsible entities of registered schemes, operators of investor directed portfolio services (IDPS) and retail CCIVs. Continues the financial requirements set out in ASIC Class Order [CO 13/760] <i>Financial requirements for responsible entities and operators of investor directed portfolio services</i> and <i>ASIC Corporations (Financial Requirements for Corporate Directors of Retail Corporate Collective Investment Vehicles) Instrument 2022/449</i> in substantially the same form</p> </li> <li> <p><i>ASIC Corporations (Financial Requirements for Custodial or Depository Service Providers) Instrument 2023/648</i></p> <p>Applies to licensed custodians. Continues the financial requirements in ASIC Class Order [CO 13/761] <i>Financial requirements for custodial or depository service providers</i> in substantially the same form</p> </li> <li> <p><i>ASIC Corporations (Investor Directed Portfolio Services Provided Through a Registered Managed Investment Scheme) Instrument 2023/668</i></p> <p>Made in relation to made in relation to IDPSs and IDPS-like schemes. Continues the financial requirements in ASIC Class Order [CO 13/762] <i>Investor directed portfolio services provided through a registered managed investment scheme</i> in substantially the same form</p> </li> <li> <p><i>ASIC Corporations (Investor Directed Portfolio Services) Instrument 2023/669</i></p> <p>Made in relation to made in relation to IDPSs and IDPS-like schemes. Replaces ASIC Class Order [CO 13/763] <i>Investor directed portfolio services</i>.</p> </li> </ul> <p>For more information see <a href="#">ASIC media release 23-247MR</a> <i>ASIC issues new legislative instruments for financial resource requirements and platforms</i>.</p>	1 September 2023	<a href="#">ASIC-CI-2023/647</a> <a href="#">ASIC-CI-2023/648</a> <a href="#">ASIC-CI-2023/668</a> <a href="#">ASIC-CI-2023/669</a>

## B2.10.2 ASIC regulatory guides

Document	Effective date	Link to document
<p><b>ASIC Regulatory Guide RG 22 Directors' solvency declaration</b></p> <p>Reissued version, replacing outdated references and terms and including recent legislative developments (e.g. the corporate collective investment vehicle (CCIV) regime).</p> <p>The stated objectives of RG 22 are to:</p> <ul style="list-style-type: none"> <li>Explain the requirements for the directors' solvency declaration under s.295(4)(c) and s.303(4)(c) of the Corporations Act (which requires a declaration by the directors "whether, in the directors' opinion, there are reasonable grounds to believe that the company, registered scheme or disclosing entity will be able to pay its debts as and when they become due and payable")</li> <li>Outline the obligations of directors when making the declaration on the solvency of an entity</li> <li>Outline the obligations of the auditor in relation to the directors' solvency declaration.</li> </ul>	29 March 2023	<a href="#">ASIC RG 22</a>



### B2.10.3 Other ASIC information

Document	Effective date	Link to document
<p><b>ASIC Information Sheet 278 <i>Inventory of superannuation trustee transparency and disclosure obligations in October 2023</i></b></p> <p>Recent updates include:</p> <ul style="list-style-type: none"> <li>Incorporate (as relevant) changes to transparency and disclosure obligations introduced under the <i>Treasury Laws Amendment (2022 Measures No. 4) Act 2023</i> and the <i>Treasury Laws Amendment (Financial Reporting and Auditing of Registrable Superannuation Entities) Regulations 2023</i></li> <li>Incorporate some obligations that require trustees to keep information on their websites</li> <li>Include transparency and disclosure requirements on remuneration in the Australian Prudential Regulation Authority (APRA) Prudential Standard <a href="#">CPS 511 Remuneration</a>, APRA Prudential Standard <a href="#">SPS 250 Insurance in superannuation</a> and APRA Prudential Practice Guide <a href="#">SPG 250 Insurance in superannuation</a></li> <li>Provide additional descriptions for some obligations, and some minor wording and formatting changes.</li> </ul>	N/A <sup>39</sup>	<a href="#">INFO 278</a>

### B2.11 ASX

No ASX Listing Rules, guides and other materials have been issued or updated since 1 July 2023, or which are applicable for the first time at 30 June 2024 or during the financial year then ended.

### B2.12 Other pronouncements

Document	Effective date	Link to document
<p><b>APES 205 <i>Conformity with Accounting Standards (updated)</i></b></p> <p>The updated APES 205 includes amendments to address the removal of the application of the reporting entity concept and the ability to prepare special purpose financial statements (SPFS) for certain for-profit private sector entities, and increased SPFS disclosure requirements for certain not-for-profit and for-profit private sector entities.</p> <p>The amendments:</p> <ul style="list-style-type: none"> <li>Update references to the remove the reference to the superseded framework and note that the reporting entity concept and SAC 1 <i>Definition of a Reporting Entity</i> does not apply to most for-profit private sector entities</li> <li>Require members to ensure special purpose financial statements include details of 'material accounting policies' rather than 'significant accounting policies'</li> <li>Require that members ensure compliance with any required Australian Accounting Standards in special purpose financial statements (in addition to the disclosures in APES 205).</li> </ul> <p>See <a href="#">APESB Technical Alert</a> for details of the updates.</p>	1 January 2023	<a href="#">APES 205</a>

<sup>39</sup> ASIC Information Sheet 278 *Inventory of superannuation trustee transparency and disclosure obligations in October 2023* is not authoritative and was last substantially updated on 31 October 2023, with additional minor updates on 7 March 2024.

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Document	Effective date	Link to document
<p data-bbox="82 309 751 342"><b>APES 315 <i>Compilation of Financial Information</i> (updated)</b></p> <p data-bbox="82 342 675 376">The revised APES 315 includes the following key changes:</p> <ul data-bbox="82 409 957 600" style="list-style-type: none"><li data-bbox="82 409 957 499">• Quality management conforming amendments to reflect the reissued APES 320 <i>Quality Management for Firms that provide Non-Assurance Services</i> and new quality management standards issued by the Auditing and Assurance Standards Board</li><li data-bbox="82 499 957 566">• Amending terminology to align with the revised APES 205 <i>Conformity with Accounting Standards</i></li><li data-bbox="82 566 957 600">• Inclusion of introductory paragraphs to Appendices 4 and 5.</li></ul>	For engagements commencing on or after 1 April 2023, with early adoption permitted	<a href="#">APES 315</a>

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See [APESB Technical Update 2023/2](#) for details of the updates.

# B3 Reporting deadlines

## B3.1 Summary of reporting deadlines for annual financial reporting

### B3.1.1 Entities reporting under the Corporations Act

The following table summarises the reporting deadlines under the Corporations Act and ASX Listing Rules (where relevant).

#### Listed disclosing entities (ASX)

Source	Requirement	Deadline
<b>Annual financial reporting</b>		
ASX 4.3A, ASX 4.3B	Lodgement of Appendix 4E with the ASX	As soon as available (and no later than 2 months after the end of the financial year) <sup>40</sup>
ASX 4.5, ASX 4.5.1	Lodgement of the Corporations Act financial report and concise report with the ASX at the same time as lodged with ASIC <sup>41</sup> under s.319 or s.601CK	As soon as available (and no later than 3 months after the end of the financial year)
ASX 4.7.1, ASX 4.7.2	Lodgement of the Corporations Act annual report and concise report with the ASX as provided to security holders under s.314	First day sent to the members (and the earlier of 21 days before the next AGM or 4 months after the end of the financial year (s.315)) <sup>42</sup>
ASX 4.7.3, ASX 4.7.4	Lodgement of the Appendix 4G with the ASX (and Corporate governance statement) (to the extent not included in the annual report)	Same time as annual report distributed to the members
s.314 s.315	Sending of financial report to members	Earlier of 21 days before the next AGM or 4 months after the end of the financial year
s.319	Lodgement of the Corporations Act annual report and concise report with ASIC <sup>43</sup>	Three months after the end of the financial year (through lodgement with the ASX under ASIC-CI 2016/181 <sup>41</sup> )
<b>Annual general meetings</b>		
s.250N	Hold the AGM	Within 5 months after the end of the financial year (if a public company)



ASX Limited publishes annual market announcements reporting calendars on its website for listed entities. The calendar for the 2024 year is available on the [ASX website](#).

<sup>40</sup> Mining exploration entities or oil and gas exploration entities are not required to provide the information set out in the Appendix 4E.

<sup>41</sup> As a result of ASIC-CI 2016/181, an entity need not give ASIC the annual report if it comprises only the documents already given to the ASX under ASX Listing Rule 4.5. The instrument requires the entity to keep a signed copy of the reports for a period of at least seven years.

<sup>42</sup> If the entity is not established in Australia but required by the law of the place of its establishment to prepare an annual report and provide it to members, this must be given to the ASX at the same time as distributed to the members (ASX 4.7.2).

<sup>43</sup> If the entity is not established in Australia, the annual report must be given to the ASX by the earlier of (a) the first day the entity sends the documents to security holders under the law of the place of its establishment or (b) the last day for the documents to be given to security holders under that law (see ASX Listing Rule 4.7.2).

## Unlisted entities

The following tables summarises the reporting deadlines for unlisted entities reporting under the Corporations Act:

Source	Requirement	Unlisted disclosing entities	Public companies	Proprietary companies	Registered schemes and notified foreign passport funds	Unlisted sub-funds of retail CCIVs
<b>Annual financial reporting</b>						
s.314 s.315 s.1232H	Sending of financial report to members	Earlier of 21 days before the next AGM or 4 months after the end of the financial year		Within 4 months after the end of the financial year	Within 3 months after the end of the financial year	Within 3 months after the end of the financial year <sup>44</sup>
s.319	Lodgement of the Corporations Act annual report and concise report with ASIC	Within 3 months after the end of the financial year	Within 4 months after the end of the financial year		Within 3 months after the end of the financial year	
<b>Annual general meetings</b>						
s.250N	Hold the AGM	Within 5 months after the end of the financial year (if a public company)	Within 5 months after the end of the financial year (unless exempted)	n/a	n/a	n/a

### B3.1.2 Entities reporting to the ACNC

The following table summarises the reporting deadlines for annual reports under the ACNC.

Source	Requirement	Small	Medium	Large
<b>Annual financial reporting</b>				
ACNC Governance Standard 2: Accountability to members <sup>45</sup>	Sending of financial report to members	Whilst annual financial reports are optional, members should be able to ask for some financial information	Annual financial reports must be maintained and provided to members explaining the charity's financial position	
Australian Charities and Not-for-profits Commission Act 2012 s.60-10	Lodgement of the annual report with the ACNC <sup>46</sup>	Submission of annual reports are optional unless required by its own governing document. Annual information statements (AIS) however must still be submitted within 6 months from reporting period end	Annual reports must be submitted as part of the Annual Information Statements within 6 months from reporting period end	

<sup>44</sup> Retail CCIVs are required to report to members in accordance with the requirements of s.314 (s.1232H). The deadline for reporting is aligned with the requirements applying to registered schemes (s.1232J). Accordingly, the timeline for lodgement is within three months of the end of the financial year (s.315(3)). The CCIV regime commenced from 1 July 2022.

<sup>45</sup> If a charity meets the definition of a 'basic religious charity' under s.205-35 of the ACNC Act, it does not have to answer financial information questions in its Annual Information Statement, submit annual financial reports (regardless of its size), or comply with the ACNC Governance Standards. However, basic religious charities must still meet all other ongoing obligations, including submitting their Annual Information Statement each year.

<sup>46</sup> A company limited by guarantee that is a registered charity only needs to submit an Annual Information Statement to the ACNC (with a financial report, if it is medium or large). It does not have to report to ASIC as the financial reporting requirements in Chapter 2M of the Corporations Act do not apply registered charities that are bodies corporate (s.111L).

Source	Requirement	Small	Medium	Large
<b>Annual general meetings</b>				
ACNC Governance Standard 2: Accountability to members <sup>47</sup>	Hold the Annual General Meeting (AGM) <sup>48, 49</sup>	Organise a meeting at least annually with members (such as an AGM) with opportunities for members to ask questions and vote on resolutions		

## B3.2 Dates applicable for 30 June 2024 reports

The following tables summarise the reporting deadlines for annual reporting periods ending 30 June 2024.

### B3.2.1 Listed entities

Obligation	Deadline	Date for 30 June 2024 financial reports
Lodgement of Appendix 4E with ASX	2 months	30 August 2024 <sup>50</sup>
Lodgement of audited annual financial report <sup>51</sup>	3 months	30 September 2024
Reporting to members – listed public companies	Earlier of 21 days before AGM or 4 months	Earlier of 21 days before AGM or 31 October 2024
Reporting to members – listed registered schemes	3 months	30 September 2024
Holding of AGM	5 months	2 December 2024 <sup>52</sup>

### B3.2.2 Unlisted entities

Obligation	Deadline	Date for 30 June 2024 financial reports
Lodgement of audited annual financial report with ASIC		
<ul style="list-style-type: none"> <li>Disclosing entities and registered schemes</li> <li>Other entities</li> </ul>	3 months 4 months	30 September 2024 31 October 2024
Reporting to members – public companies	Earlier of 21 days before AGM or 4 months	Earlier of 21 days before AGM or 31 October 2024
Reporting to members – proprietary companies	4 months	31 October 2024
Holding of AGM – public companies	5 months	2 December 2024 <sup>52</sup>

<sup>47</sup> ACNC Governance Standard 2 only applies to charities with members. For example, incorporated associations, companies and unincorporated associations. Other structures, such as trusts, do not have members.

<sup>48</sup> A company limited by guarantee that is a registered charity does not have to comply with the requirement to hold general meetings of members or annual general meetings under the Corporations Act. Instead, it must comply with the requirements of ACNC Governance Standard 2.

<sup>49</sup> Whilst the ACNC does not include specific requirements for holding AGMs, a common example to meet ACNC Governance Standard 2 is to organise a meeting at least annually with members (such as an AGM) with opportunities for members to ask questions and vote on resolutions.

<sup>50</sup> Where a deadline arises under the ASX Listing Rules and that deadline falls on a Saturday, Sunday or public holiday, ASX Listing Rule 19.5 requires the deadline to be met by the preceding business day. 31 August 2024 (which is 2 months after the 30 June 2024 reporting period) is a Saturday. Accordingly, the deadline will be met on the preceding business day i.e. 30 August 2024.

<sup>51</sup> Although there is a requirement to lodge the annual financial report with both ASIC and the ASX, *ASIC Corporations (Electronic Lodgment of Financial Reports) Instrument 2016/181* (available at [www.legislation.gov.au](http://www.legislation.gov.au)) allows entities listed on the ASX to lodge the reports electronically with the relevant market operator without also having to separately lodge the reports with ASIC.

<sup>52</sup> Where a deadline under the Corporations Act falls on a Saturday, Sunday or public holiday, section 36(2) of the *Acts Interpretations Act 1901* permits the deadline to be met on the next day that is not a Saturday, Sunday, or public holiday. 30 November 2024 is a Saturday. Accordingly, the deadline will be met on the next day that is not a Saturday, Sunday, or public holiday, i.e. 2 December 2024.

**B3.2.3 Not-for-profit ACNC registered entities**

Obligation	Deadline	Date for 30 June 2024 financial reports / AIS
Lodgement of annual financial report / Annual Information Statement (AIS) with ACNC	6 months	31 December 2024

**B3.2.4 Other deadlines**

Obligation	Deadline	Date for 30 June 2024 financial reports
Preparation of consolidated financial statements under <i>ASIC Corporations (Wholly-owned Companies) Instrument 2016/785</i>	4 months	31 October 2024
Lodgement of profit and loss statement and balance sheet by AFS licensees		
• Bodies corporate (disclosing entities)	3 months	30 September 2024
• Other unlisted bodies corporate	4 months	31 October 2024
• Not bodies corporate	2 months	2 September 2024 <sup>53</sup>
Audit of the compliance plan of a registered scheme	3 months	30 September 2024

<sup>53</sup> Where a deadline under the Corporations Act falls on a Saturday, Sunday or public holiday, section 36(2) of the *Acts Interpretations Act 1901* permits the deadline to be met on the next day that is not a Saturday, Sunday, or public holiday. 31 August 2024 (which is 2 months after the 30 June 2024 reporting period) is a Saturday. Accordingly, the deadline will be met on the next day that is not a Saturday, Sunday, or public holiday, i.e. 2 September 2024.

# Core model financial statements



This section contains the core IFRS disclosures that apply to all financial statements. The core model financial statements reproduce the global IFRS model financial statements, and flags Australian-specific considerations arising in relation to the illustrated disclosures using icons and explanations.

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# Using the core model financial statements for Tier 1 entities



## Purpose

The Deloitte model IFRS financial statements contained in the core model financial statements section of this document illustrate the presentation and disclosure requirements of IFRS Accounting Standards for the year ended 31 December 2023 by an entity that is not a first-time adopter of IFRS Accounting Standards and are also applicable for the ended 30 June 2024. They comprise consolidated financial statements which illustrate the impact of the application of IFRS Accounting Standards that are mandatorily effective for the annual period beginning on 1 January 2023.

The core model financial statements, however, do not illustrate the presentation and disclosure requirements specific to annual reports prepared in Australia. Therefore, the Australian-specific requirements are outlined in Appendix 2.

## Icons used in the core model financial statements

The following icons are used throughout the core model financial statements to indicate the following:

Icon	Meaning
	Indicates that an Australian-specific consideration applies. Additional information and cross reference to the relevant section of Appendix 2 is noted.
	Indicates disclosures that might need to be adapted to explain how the Group is impacted by climate change.

The table in Appendix 1 gives an overview of all areas impacted by climate change and Appendix 2 provides additional and modified illustrative disclosures applicable to Tier 1 financial statements prepared by Australian entities.

## Understanding source references in core model financial statements

The source references included in the core model financial statements generally refer to the international versions of pronouncements, rather than their Australian equivalents. Accordingly:

- References to "IFRS X" should instead be read as a reference to the Australian equivalent "AASB X"
- References to "IAS X" should instead be read as a reference to the Australian equivalent "AASB 10X" (where X is less than 10) or "AASB 1X" (otherwise)
- References to "IFRIC X" should instead be read as a reference to the Australian equivalent "Interpretation X"
- References to "SIC X" should instead be read as a reference to the Australian equivalent "Interpretation 10X" (where X is less than 10) or "Interpretation 1X" (otherwise).



## How to use the core model financial statements in conjunction with Appendix 2

The table below outlines the composition of a Tier 1 financial report prepared under the *Corporations Act 2001*. The table lists the relevant information from both the core model financial statements and those additional or alternative requirements included in Appendix 2.

Component	Primary source	Considerations
<b>Corporations Act requirements</b>		
Directors' report	Appendix 2 (page 215)	Entities preparing financial reports under the Corporations Act must provide a directors' report. Listed entities must also include a Remuneration report as part of the directors' report.
Auditor's independence declaration	Appendix 2 (page 245)	Entities preparing financial reports under the Corporations Act must include an auditor's independence declaration.
Independent auditor's report	Appendix 2 (page 247)	Entities preparing financial reports under the Corporations Act must include an independent auditor's report.
Directors' declaration	Appendix 2 (page 250)	Entities preparing financial reports under the Corporations Act must include a directors' declaration.
<b>Primary financial statements</b>		
Consolidated statement of profit or loss and other comprehensive income - Alt 1 – Presentation as two statements, with expenses analysed by function - Alt 2 – Single statement presentation, with expenses analysed by nature	Core model financial statements	
Consolidated statement of financial position - Alt 1 – Categories for (1) total assets (ii) net current assets (iii) total liabilities (iv) net assets (v) total equity - Alt 2 – Categories for (1) assets (ii) equity and liabilities	Core model financial statements	Australian entities commonly present the order of the statement of financial position differently to entities preparing financial statement in other countries. An example of this alternate approach can be found in Appendix 2 on page 251. Where the alternate version is adopted, the ordering of the notes should be reconsidered.
Consolidated statement of changes in equity	Core model financial statements	
Consolidated statement of cash flows - Alt 1 – Indirect method of reporting cash flows from operating activities - Alt 2 – Direct method of reporting cash flows from operating activities	Core model financial statements	Australian entities commonly adopt the direct method of presentation of the statement of cash flows and in this case are additionally required to provide a reconciliation of the net cash flows from operating activities to profit or loss. An illustrative disclosure is included in Note 54 on page 281.
<b>Notes to the consolidated financial statements (where there are Australian specific considerations)</b>		
1 General information	Appendix 2 (page 254)	Additional information is required in relation to compliance with Australian Accounting Standards and rounding. See Note 1 on page 254.
2 Adoption of new and revised Standards	Appendix 2 (page 256)	The updated and Australian-specific version of this note should be used. See Note 2 on page 256.
3 Accounting policies	Core model financial statements	Australian entities may need to disclose Australian specific accounting policy information e.g. mining entities applying AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> and not-for-profit and public sector entities. See illustrative Note 3 in Appendix 2 on page 268.

Component	Primary source	Considerations
<b>Notes to the consolidated financial statements (where there are Australian specific considerations) (continued)</b>		
7 Profit for the year	Core model financial statements	Specific considerations apply in relation to rounding under <i>ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191</i> for certain share-based payment information.
8 Staff costs	Core model financial statements	Specific considerations apply in relation to rounding under <i>ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191</i> for certain share-based payment information.
14 Dividends	Core model financial statements	Specific considerations apply in relation to rounding under <i>ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191</i> for certain share-based payment information. Australian entities are required to provide information about imputation credits (franking credits). See the example in Note 14 on page 272.
15 Earnings per share	Core model financial statements	Specific considerations apply in relation to rounding under <i>ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191</i> for earnings per share information.
20 Subsidiaries	Core model financial statements	Entities applying <i>ASIC Corporations (Wholly owned Companies) Instrument 2016/785</i> or with tax-consolidated groups may need to provide additional information. See the example in Note 20 in Appendix 2 on page 274.
37 Trade and other payables	Core model financial statements	Specific considerations apply in relation to rounding under <i>ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191</i> for certain share-based payment information.
41 Share premium account	Core model financial statements	Under the Corporations Act, Australian entities generally do not have a par value for issued shares and accordingly, this note may not be relevant.
54 Notes to the cash flow statement	Core model financial statements	Australian entities commonly adopt the direct method of presentation of the statement of cash flows and in this case are additionally required to provide a reconciliation of the net cash flows from operating activities to profit or loss. An illustrative disclosure is included in Note 54 in Appendix 2 on page 281.
64 Related party transactions	Core model financial statements	Additional information is required for Australian entities in relation to parent entities. Example disclosures are included in Note 64 in Appendix 2 on page 282.  In addition, the specific considerations apply in relation to rounding under <i>ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191</i> for certain related party information, including remuneration of key management personnel.
66 Remuneration of auditors	Appendix 2 (page 283)	This Australian specific disclosure is required for entities applying Tier 1. An illustrative disclosure is included in Note 66 in Appendix 2 on page 283.
67 Parent entity information	Appendix 2 (page 285)	This additional note is required where consolidated financial reports are prepared under the Corporations Act. An illustrative disclosure is included in Note 67 is available in Appendix 2 on page 285.

<b>Component</b>	<b>Primary source</b>	<b>Considerations</b>
<b>Other</b>		
Appendix 4E	Appendix 2 (page 196)	Most entities listed on the ASX are required to provide a 'preliminary final report' in the form of Appendix 4E to the ASX Listing Rules. See Appendix 4E in Appendix 2 on page 196.
Consolidated entity disclosure statement	Appendix 2 (page 289)	All public companies (listed and unlisted) must include a consolidated entity disclosure statement in their financial reports for the first time at 30 June 2024. An illustrative disclosure is available in Appendix 2 on page 289.
ASX disclosures	Appendix 2 (page 291)	Entities listed on the ASX are required to provide additional information in their annual reports. See ASX disclosures in Appendix 2 on page 289.
ASX Corporate Governance Statement	Appendix 2 (page 298)	Entities listed on the ASX are required to disclose the extent to which they have complied with the best practice recommendations of the ASX Corporate Governance Council during the reporting period. See ASX Corporate Governance Principles and Recommendations in Appendix 2 on page 298.
Tax transparency report	Appendix 2 (page 304)	The Tax Transparency Code (TTC) was developed by the Board of Taxation to guide medium and large businesses on public disclosure of tax information. Its adoption is voluntary and intended to complement Australia's existing tax transparency measures.

Source	International GAAP Holdings Limited			
IAS 1:51(b) IAS 1:10(b) IAS 1:10(ea) IAS 1:10A IAS 1:51(c) IAS 1:113 IAS 1:51(d)-(e) IAS 8:22	<b>Consolidated statement of profit or loss For the year ended 31 December 2023</b>			
			31/12/2023	31/12/2022
		Note	CU	CU
	<b>Continuing operations</b>			
IAS 1:82(a)	<b>Revenue</b>	5		
IFRS 15:113(a) IAS 1:99-103	Cost of sales			
IAS 1:85, IAS 1:85A, IAS 1:85B	<b>Gross profit</b>			
IAS 1:99-103	Distribution costs			
IAS 1:99-103	Administrative expenses			
IAS 1:99-103	Other expenses			
IAS 1:82(c)	Share of results of associates	21		
IAS 1:82(c)	Share of results of joint ventures	22		
	Finance income – interest income	9		
	Finance income – other	9		
IAS 1:82(aa) IFRS 7:20A	Gains and losses arising from the derecognition of financial assets measured at amortised cost			
IAS 1:82(ca)	Gains and losses on reclassification of financial assets from amortised cost to FVTPL			
IAS 1:82(cb)	Gains and losses on reclassification of financial assets from FVTOCI to FVTPL			
IAS 1:82(ba)	Impairment losses and gains (including reversals of impairment losses) on financial assets and contract assets	7		
	Other gains and losses	10		
IAS 1:82(b) IFRS 16:49	Finance costs	11		
IAS 1:85, IAS 1:85A IAS 1:85B	<b>Profit before tax</b>			
IAS 1:82(d) IAS 12:77	Income tax	12		
IAS 1:85, IAS 1:85A, IAS 1:85B	<b>Profit for the year from continuing operations</b>			

Source	International GAAP Holdings Limited	
	<b>Discontinued operations</b>	
IAS 1:82(ea) IFRS 5:33(a) IAS 1:81A(a)	Loss for the year from discontinued operations	13
	<b>Profit for the year</b>	7
IAS 1:81B(a)	Attributable to:	
	Owners of the parent company	
	Non-controlling interests	
	<b>Earnings per share</b>	
IAS 33:2-3 IAS 33:4A IAS 33:66 IAS 33:69	From continuing operations:	
	Basic	15
	Diluted	15
	From continuing and discontinued operations:	
	Basic	15
	Diluted	15
	<b>Commentary:</b>	
	<i>The format outlined above aggregates expenses according to their function.</i>	

Source	International GAAP Holdings Limited		31/12/2023	31/12/2022
IAS 1:10A IAS 1:10(b) IAS 1:10(ea)	<b>Consolidated statement of comprehensive income For the year ended 31 December 2023</b>		CU	CU
IAS 1:113 IAS 1:10A	<b>Profit for the year</b>	Note	CU	CU
IAS 1:82A(a)(i)	<b>Items that will not be reclassified subsequently to profit or loss:</b>			
	Gains/(losses) on property revaluation	43		
	Remeasurement of net defined benefit liability	58		
IFRS 7:20(a)(vii)	Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI	43		
IFRS 7:20(a)(i) IFRS 9:B5.7.9	Fair value gain/(loss) on financial liabilities designated as at FVTPL attributable to changes in credit risk	45		
IAS 1:82A(b)(i)	Share of other comprehensive income of associates	21		
IAS 1:82A(b)(i)	Share of other comprehensive income of joint ventures	22		
IAS 1:90 IAS 1:91(b)	Income tax relating to items that will not be reclassified subsequently to profit or loss	12		
IAS 1:82A(a)(ii)	<b>Items that may be reclassified subsequently to profit or loss:</b>			
	<u>Debt instruments measured at FVTOCI:</u>	43		
IFRS 7:20(a)(viii) IFRS 9:5.7.10 IFRS 9:B5.7.1A	Fair value gain/(loss) on investments in debt instruments measured at FVTOCI			
IFRS 7:20(a)(viii)	Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal			
IAS 1:82(cb)	Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon reclassification from FVTOCI to FVTPL			
IFRS 7:24C(b)(iv) IFRS 7:24E(a)	<u>Cash flow hedges:</u>	46		
IFRS 7:24E(a) IAS 1:96, IFRS 9:6.5.11(d)(i)	Fair value gain/(loss) arising on hedging instruments during the period			
	Less: Cumulative (gain)/loss arising on hedging instruments reclassified to profit or loss			
	<u>Foreign currency translation, net of investment hedges of a foreign operation:</u>	48		
IAS 21:52(b)	Foreign exchange differences on translation of foreign operations			

Source	International GAAP Holdings Limited		
	Less: (Gain)/loss reclassified to profit or loss on disposal of foreign operation		
IFRS 7:24C(b)	Gain/(loss) arising on hedging instruments designated in hedges of the net assets in foreign operation		
	Less: (Gain)/loss on hedging instruments reclassified to profit or loss on disposal of foreign operation		
IFRS 7:24E(b)-(c)	<b>Cost of hedging:</b>	47	
IFRS 9:6.5.15(b)	Changes in the fair value during the period in relation to transaction-related hedged items		
(ii)-(iii) and (c),	Changes in the fair value during the period in relation to time-period related hedged items		
IFRS 9:6.5.16	Less: Cumulative (gain)/loss arising on changes in the fair value in relation to transaction-related hedged items reclassified to profit or loss		
IAS 1:96	Less: Amortisation to profit or loss of cumulative (gain)/loss arising on changes in the fair value in relation to time-period related hedged item		
IAS 1:82A(b)(ii)	Share of other comprehensive income of associates	21	
IAS 1:82A(b)(ii)	Share of other comprehensive income of joint ventures	22	
IAS 1:90	Income tax relating to items that may be reclassified subsequently to profit or loss	12	
IAS 1:91(b)			
IAS 1:81A(b)	<b>Other comprehensive income for the year, net of income tax</b>		
IAS 1:81A(c)	<b>Total comprehensive income for the year</b>		
IAS 1:81B(b)	Total comprehensive income attributable to:		
	Owners of the parent company		
	Non-controlling interests		

**Commentary:****One statement vs. two statements**

IAS 1 Presentation of Financial Statements permits an entity to present profit or loss and other comprehensive income (OCI) in either a single statement or in two separate but consecutive statements. The alternative presented above illustrates the presentation of profit or loss and OCI in two separate but consecutive statements with expenses analysed by function. The alternative presented on the following pages illustrates the presentation of profit or loss and OCI in one statement with expenses analysed by nature.

Whichever presentation approach is adopted, the distinction is retained between items recognised in profit or loss and items recognised in OCI. Under both approaches, profit or loss, total OCI, as well as comprehensive income for the period (being the total of profit or loss and OCI) should be presented. Under the two-statement approach, the separate statement of profit or loss ends at 'profit for the year', and this 'profit for the year' is then the starting point for the statement of comprehensive income. In addition, the analysis of 'profit for the year' between the amount attributable to the owners of the parent company and the amount attributable to non-controlling interests is presented as part of the separate statement of profit or loss.

Note that where the two-statement approach is adopted (as above), as required by IAS 1:10A, the statement of profit or loss must be displayed immediately before the statement of comprehensive income.

**Commentary:****OCI: items that may or may not be reclassified**

*Irrespective of whether the one-statement or the two-statement approach is followed, the items of OCI should be classified by nature and grouped into those that, in accordance with other IFRS Accounting Standards: (a) will not be reclassified subsequently to profit or loss; and (b) may be reclassified subsequently to profit or loss when specific conditions are met. An entity should present its share of OCI of associates and joint ventures accounted for using the equity method separately from those arising from the group.*

**Presentation options for reclassification adjustments**

*In addition, in accordance with IAS 1:94, an entity may present reclassification adjustments in the statement of profit or loss and other comprehensive income or in the notes. In these illustrative financial statements the reclassification adjustments have been presented in the notes.*

**Presentation options for income tax relating to items of OCI**

*Furthermore, for items of OCI, additional presentation options are available as follows: the individual items of OCI may be presented net of tax in the statement of profit or loss and other comprehensive income, or they may be presented gross with a single line deduction for tax relating to those items by allocating the tax between the items that may be reclassified subsequently to the profit or loss section and those that will not be reclassified subsequently to the profit or loss section as presented in these illustrative financial statements. Whichever option is selected, the income tax relating to each item of OCI must be disclosed, either in the statement of profit or loss and other comprehensive income or in the notes (see note 13).*

**Subtotals**

*When an entity presents subtotals, IAS 1:85A requires that those subtotals:*

- *Comprise of line items made up of amounts recognised and measured in accordance with IFRS Accounting Standards*
- *Be presented and labelled in a manner that makes the line items that constitute the subtotal clear and understandable*
- *Be consistent from period to period*
- *Not be displayed with more prominence than the subtotals and totals required in IFRS Accounting Standards*

**Immaterial items**

*An entity need not provide a specific disclosure required by an IFRS Accounting Standard if the information resulting from that disclosure is not material. This is the case even if the IFRS Accounting Standard contains a list of specific requirements or describes them as minimum requirements.*



Source	International GAAP Holdings Limited		
IAS 1:10(b) IAS 1:10(ea) IAS 1:10A	<b>Consolidated statement of profit or loss and other comprehensive income</b>		
	<b>For the year ended 31 December 2023</b>		
		31/12/2023	31/12/2022
IAS 1:113	Note	CU	CU
	<b>Continuing operations</b>		
IAS 1:82(a) IFRS 15:113(a)	<b>Revenue</b>	5	
	Finance income – interest income	9	
	Finance income – other	9	
IAS 1:99	Changes in inventories of finished goods and work in progress		
IAS 1:99	Raw materials and consumables used		
IAS 1:99	Depreciation and amortisation expenses		
IAS 1:99	Employee benefits expense		
IAS 1:82(b) IFRS 16:49	Finance costs	11	
IAS 1:99	Transport costs		
IAS 1:99	Advertising costs		
IAS 1:99	Impairment of property, plant and equipment		
	Impairment of goodwill		
	Other expenses		
IAS 1:82(c)	Share of results of associates	21	
IAS 1:82(c)	Share of results of joint ventures	22	
IAS 1:82(aa) IFRS 7:20A	Gains and losses arising from the derecognition of financial assets measured at amortised cost		
IAS 1:82(ca)	Gains and losses on reclassification of financial assets from amortised cost to FVTPL		
IAS 1:82(ba)	Impairment losses (including reversals of impairment losses) on financial assets and contract assets	8	
IAS 1:82(cb)	Gains and losses on reclassification of financial assets from FVTOCI to FVTPL		
	Other gains and losses	10	
IAS 1:85, IAS 1:85A IAS 1:85B	<b>Profit before tax</b>		
IAS 1:82(d) IAS 12:77	Income tax	12	
		_____	_____

Source	International GAAP Holdings Limited		
IAS 1:85, IAS 1:85A IAS 1:85B	<b>Profit for the year from continuing operations</b>		
	<b>Discontinued operations</b>		
IAS 1:82(ea) IFRS 5:33(a)	Loss for the year from discontinued operations	13	
IAS 1:81A(a)	<b>Profit for the year</b>	7	
	<b>Other comprehensive income for the year</b>		
IAS 1:82A(a)(i)	<b>Items that will not be reclassified subsequently to profit or loss:</b>		
	Gains/(losses) on property revaluation	43	
	Remeasurement of net defined benefit liability	58	
IFRS 7:20(a)(vii)	Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI	43	
IFRS 7:20(a)(i) IFRS 9:B5.7.9	Fair value gain/(loss) on financial liabilities designated as at FVTPL attributable to changes in credit risk	45	
IAS 1:82A(b)(i)	Share of other comprehensive income of associates	21	
IAS 1:82A(b)(i)	Share of other comprehensive income of joint ventures	22	
IAS 1:90 IAS 1:91(b)	Income tax relating to items that will not be reclassified subsequently to profit or loss	12	
IAS 1:82A(a)(ii)	<b>Items that may be reclassified subsequently to profit or loss:</b>		
	<u>Debt instruments measured at FVTOCI:</u>	43	
IFRS 7:20(a)(viii) IFRS 9:5.7.10 IFRS 9:B5.7.1A	Fair value gain/(loss) on investments in debt instruments measured at FVTOCI		
IFRS 7:20(a)(viii)	Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal		
IAS 1:82(cb)	Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon reclassification from FVTOCI to FVTPL		
IFRS 7:24C(b)(iv) IFRS 7:24E(a)	<u>Cash flow hedges:</u>	46	
IFRS 7:24E(a) IAS 1:96, IFRS 9:6.5.11(d)(i)	Fair value gain/(loss) arising on hedging instruments during the period		
	Less: Cumulative (gain)/loss arising on hedging instruments reclassified to profit or loss		
	<u>Foreign currency translation, net of investment hedges of a foreign operation:</u>	48	
IAS 21:52(b)	Foreign exchange differences on translation of foreign operations		
	Less: (Gain)/loss reclassified to profit or loss on disposal of foreign operation		
IFRS 7:24C(b)	Gain/(loss) arising on hedging instruments designated in hedges of the net assets in foreign operation		
	Less: (Gain)/loss on hedging instruments reclassified to profit or loss on disposal of foreign operation		

Source	International GAAP Holdings Limited			
IFRS 7:24E(b)-(c)	Cost of hedging:	47		
IFRS 9:6.5.15(b)	Changes in the fair value during the period in relation to transaction-related hedged items			
(ii)-(iii) and (c), IFRS 9:6.5.16 IAS 1:96	Changes in the fair value during the period in relation to time-period related hedged items			
	Less: Cumulative (gain)/loss arising on changes in the fair value in relation to transaction-related hedged items reclassified to profit or loss			
	Less: Amortisation to profit or loss of cumulative (gain)/loss arising on changes in the fair value in relation to time-period related hedged item			
IAS 1:82A(b)(ii)	Share of other comprehensive income of associates	21		
IAS 1:82A(b)(ii)	Share of other comprehensive income of joint ventures	22		
IAS 1:90 IAS 1:91(b)	Income tax relating to items that may be reclassified subsequently to profit or loss	12		
IAS 1:81A(b)	<b>Other comprehensive income for the year net of income tax</b>			
IAS 1:81A(c)	<b>Total comprehensive income for the year</b>			
IAS 1:81B(a)	Profit for the year attributable to:			
	Owners of the parent company			
	Non-controlling interests			
IAS 1:81B(b)	Total comprehensive income attributable to:			
	Owners of the parent company			
	Non-controlling interests			
IAS 33:2-3 IAS 33:4A IAS 33:66 IAS 33:69	<b>Earnings per share</b>			
	From continuing operations:			
	Basic	15		
	Diluted	15		
	From continuing and discontinued operations:			
	Basic	15		
	Diluted	15		

**Commentary:**

*The format outlined above aggregates expenses according to their nature.*

Source		International GAAP Holdings Limited			
IAS 1:10(a) IAS 1:10(ea)	<b>Consolidated statement of financial position - Alt. 1</b>				
	<b>As at 31 December 2023</b>				
IAS 1:113	Note	31/12/2023	31/12/2022	1/1/2022	
IAS 1:10(f) IAS 1:40A		CU	CU (Restated)*	CU (Restated)*	
IAS 8:22					
IAS 1:60-61 IAS 1:66-68	<b>Non-current assets</b>				
IAS 1:55	Goodwill	16			
IAS 1:54(c)	Other intangible assets	17			
IAS 1:54(a)	Property, plant and equipment	18			
IAS 1:55 IFRS 16:47(a)	Right-of-use assets	30			
IAS 1:54(b)	Investment property	19			
IAS 1:54(e) IAS 1:55	Investments in associates	21			
IAS 1:54(e) IAS 1:55	Interests in joint ventures	22			
IAS 1:54(d) IAS 1:55	Investments in financial assets	24			
IAS 1:54(d) IAS 1:55	Finance lease receivables	29			
IAS 1:54(d) IAS 1:55	Derivative financial instruments	34			
IAS 1:54(o) IAS 1:56	Deferred tax asset	35			
IAS 1:55 IFRS 15:105 IFRS 15:116(a)	Contract assets	27			
IAS 1:55 IFRS 15:105 IFRS 15:91 IFRS 15:95	Contract costs	28			
IAS 1:60-61 IAS 1:66-68	<b>Current assets</b>				
IAS 1:54(g)	Inventories	25			
IAS 1:54(d) IAS 1:55	Investments in financial assets	24			
IAS 1:55 IFRS 15:B21	Right to returned goods asset	26			
IAS 1:55 IFRS 15:105	Contract assets	27			
IAS 1:55 IFRS 15:105 IFRS 15:91 IFRS 15:95	Contract costs	28			
	* The comparative information has been restated as a result of [the change in accounting policy/prior period error] as discussed in note 2.				

Source	International GAAP Holdings Limited		
IAS 1:54(d) IAS 1:55	Finance lease receivables	29	
IAS 1:54(h) IFRS 15:116(a)	Trade and other receivables	31	
IAS 1:54(d) IAS 1:55	Derivative financial instruments	34	
IAS 1:54(i)	Cash and bank balances		
IAS 1:54(j) IFRS 5:38-39	Assets classified as held for sale	13	
IAS 1:55-55A	<b>Total assets</b>		
IAS 1:60-61 IAS 1:69-76	<b>Current liabilities</b>		
IAS 1:54(k) IAS 1:54(n) IAS 1:56	Trade and other payables Current tax liabilities	37	
IAS 1:54(m) IAS 1:55 IFRS 16:47(b)	Lease liabilities	36	
IAS 1:54(m) IAS 1:55	Borrowings	32	
IAS 1:54(m) IAS 1:55	Derivative financial instruments	34	
IAS 1:54(m) IAS 1:55	Other financial liabilities	38	
IAS 1:54(l)	Provisions	39	
IAS 1:55	Deferred income – government grant	59	
IAS 1:55 IFRS 15:105 IFRS 15:116(a)	Contract liabilities	60	
IAS 1:55 IFRS 15:B21 IFRS 15:119(d)	Refund liability	61	
IAS 1:54(p) IFRS 5:38-39	Liabilities directly associated with assets classified as held for sale	13	
	<b>Net current assets</b>		

Source	International GAAP Holdings Limited		
	<b>Non-current liabilities</b>		
IAS 1:60-61 IAS 1:69-76			
IAS 1:54(m) IAS 1:55	Borrowings	32	
IAS 1:54(m) IAS 1:55	Convertible loan notes	33	
IAS 1:55	Retirement benefit obligations	58	
IAS 1:54(o) IAS 1:56	Deferred tax liabilities	35	
IAS 1:54(l)	Provisions	39	
IAS 1:55	Deferred income – government grant	59	
IAS 1:55 IFRS 15:105 IFRS 15:116(a)	Contract liabilities	60	
IAS 1:54(m) IAS 1:55 IFRS 16:47(b)	Lease liabilities	36	
IAS 1:54(m) IAS 1:55	Liability for share-based payments	57	
IAS 1:55-55A	<b>Total liabilities</b>		
	<b>Net assets</b>		
	<b>Equity</b>		
	Share capital	40	
	Share premium account	41	
	Other reserves	42-49	
	Retained earnings	50	
IAS 1:54(r)	Equity attributable to owners of the parent company		
IAS 1:54(q) IFRS 10:22	Non-controlling interests	51	
IAS 1:55-55A	<b>Total equity</b>		

**Commentary:**

IAS 1:40A requires an entity to present a statement of financial position as at the beginning of the preceding period (third statement of financial position) if:

- It applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements or reclassifies items in its financial statements
- The retrospective application, retrospective restatement or the reclassification has a material effect on the information in the third statement of financial position

Other than disclosures of certain specified information as required by IAS 1:41-44 and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors the related notes to the third statement of financial position are not required to be disclosed.



Australian entities commonly present the statement of financial position in a different order to that presented here. An example of the common Australian presentation can be found in Appendix 2.

Source	International GAAP Holdings Limited			
IAS 1:10(a) IAS 1:10(ea)	<b>Consolidated statement of financial position - Alt. 2</b>			
	<b>As at 31 December 2023</b>			
IAS 1:113	Note	31/12/2023	31/12/2022	1/1/2022
IAS 1:10(f) IAS 1:40A		CU	CU	CU
			(Restated)*	(Restated)*
	<b>Assets</b>			
	<b>Non-current assets</b>			
IAS 1:60-61 IAS 1:66-68				
IAS 1:55	Goodwill	16		
IAS 1:54(c)	Other intangible assets	17		
IAS 1:54(a)	Property, plant and equipment	18		
IAS 1:55 IFRS 16:47(a)	Right-of-use assets	30		
IAS 1:54(b)	Investment property	19		
IAS 1:54(e) IAS 1:55	Investments in associates	21		
IAS 1:54(e) IAS 1:55	Interests in joint ventures	22		
IAS 1:54(d) IAS 1:55	Investments in financial assets	24		
IAS 1:54(d) IAS 1:55	Finance lease receivables	29		
IAS 1:54(d) IAS 1:55	Derivative financial instruments	34		
IAS 1:54(o) IAS 1:56	Deferred tax asset	35		
IAS 1:55 IFRS 15:105 IFRS 15:116(a)	Contract assets	27		
IAS 1:55 IFRS 15:105 IFRS 15:91 IFRS 15:95	Contract costs	28		
IAS 1:55-55A	<b>Total non-current assets</b>			
IAS 1:60-61 IAS 1:66-68	<b>Current assets</b>			
IAS 1:54(g)	Inventories	25		
IAS 1:54(d) IAS 1:55	Investments in financial assets	24		
IAS 1:55 IFRS 15:B21	Right to returned goods asset	26		
IAS 1:55 IFRS 15:105	Contract assets	27		
IAS 1:55 IFRS 15:105 IFRS 15:91 IFRS 15:95	Contract costs	28		
	* The comparative information has been restated as a result of [the change in accounting policy/prior period error] as discussed in note 2.			

Source	International GAAP Holdings Limited		
IAS 1:54(d) IAS 1:55	Finance lease receivables	29	
IAS 1:54(h) IFRS 15:116(a)	Trade and other receivables	31	
IAS 1:54(d) IAS 1:55	Derivative financial instruments	34	
IAS 1:54(i)	Cash and bank balances		
IAS 1:54(j) IFRS 5:38-39	Assets classified as held for sale	13	
	<b>Total current assets</b>		
IAS 1:55-55A	<b>Total assets</b>		
	<b>Equity and liabilities</b>		
	<b>Capital and reserves</b>		
	Issued share capital and share premium	40-41	
	Other reserves	42-49	
	Retained earnings	50	
IAS 1:54(r)	Equity attributable to owners of the parent company		
IAS 1:54(q) IFRS 10:22	Non-controlling interests	51	
IAS 1:55-55A	<b>Total equity</b>		
	<b>Non-current liabilities</b>		
IAS 1:60-61 IAS 1:69-76			
IAS 1:54(m) IAS 1:55	Borrowings	32	
IAS 1:54(m) IAS 1:55	Convertible loan notes	33	
IAS 1:55	Retirement benefit obligations	58	
IAS 1:54(o) IAS 1:56	Deferred tax liabilities	35	
IAS 1:54(l)	Provisions	39	
IAS 1:55	Deferred income – government grant	59	
IAS 1:55 IFRS 15:105 IFRS 15:116(a)	Contract liabilities	60	
IAS 1:54(m) IAS 1:55 IFRS 16:47(b)	Lease liabilities	36	
IAS 1:54(m) IAS 1:55	Liability for share-based payments	57	
	<b>Total non-current liabilities</b>		



Source	International GAAP Holdings Limited		
	<b>Current liabilities</b>		
IAS 1:60-61 IAS 1:69-76			
IAS 1:54(k)	Trade and other payables	37	
IAS 1:54(n) IAS 1:56	Current tax liabilities		
IAS 1:54(m) IAS 1:55 IFRS 16:47(b)	Lease liabilities	36	
IAS 1:54(m) IAS 1:55	Borrowings	32	
IAS 1:54(m) IAS 1:55	Derivative financial instruments	34	
IAS 1:54(m) IAS 1:55	Other financial liabilities	38	
IAS 1:54(l)	Provisions	39	
IAS 1:55	Deferred income – government grant	59	
IAS 1:55 IFRS 15:105 IFRS 15:116(a)	Contract liabilities	60	
IAS 1:55 IFRS 15:B21 IFRS 15:119(d)	Refund liability	61	
IAS 1:54(p) IFRS 5:38 - 39	Liabilities directly associated with assets classified as held for sale	13	
IAS 1:55-55A	<b>Total current liabilities</b>		
IAS 1:55-55A	<b>Total liabilities</b>		
IAS 1:55-55A	<b>Total equity and liabilities</b>		

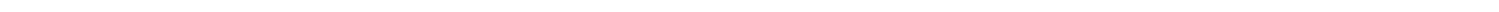


Australian entities commonly present the statement of financial position in a different order to that presented here. An example of the common Australian presentation can be found in Appendix 2.

Source	International GAAP Holdings Limited										
IAS 1:10(c) IAS 1:10(ea) IAS 1:106 IAS 1:108	<b>Consolidated statement of changes in equity for the year ended 31 December 2023</b>										
	Equity attributable to equity holders of the parent										
IFRS 9:6.5.8(a) IFRS 7:24E(a) IFRS 9:6.5.11(a)&(d) IFRS 7:24E(b)-(c) IAS 21:52(b) IFRS 9:6.5.14	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Share capital</th> <th style="width: 15%;">Share premium account</th> <th style="width: 10%;">Own shares</th> <th style="width: 15%;">Properties revaluation reserve</th> <th style="width: 15%;">Investments revaluation reserve</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">CU</td> <td style="text-align: center;">CU</td> <td style="text-align: center;">CU</td> <td style="text-align: center;">CU</td> <td style="text-align: center;">CU</td> </tr> </tbody> </table>	Share capital	Share premium account	Own shares	Properties revaluation reserve	Investments revaluation reserve	CU	CU	CU	CU	CU
Share capital	Share premium account	Own shares	Properties revaluation reserve	Investments revaluation reserve							
CU	CU	CU	CU	CU							
	<b>Balance at 1 January 2022</b>										
IAS 1:106(b) IAS 8:49(c)	Effect of change in accounting policy for <i>[insert as relevant]</i>										
	<b>Balance at 1 January 2022 – As restated</b>										
IAS 1:106(d)(i)	Profit for the year										
IAS 1:106(d)(ii) IAS 1:106A	Other comprehensive income for the year										
IAS 1:106(a)	<b>Total comprehensive income for the year</b>										
IAS 1:106(d)(iii)	Issue of share capital										
IAS 1:107	Dividends										
	Transfer of cash flow hedging (gains)/losses and cost of hedging to the initial carrying amount of hedged items										
	Transfer of credit risk reserve upon derecognition of the related financial liabilities										
	Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated as at FVTOCI										
	Own shares acquired in the year										
	Equity-settled share-based payments										
	Deferred tax on share-based payment transactions										
	<b>Balance at 31 December 2022</b>										



Option premium on convertible notes	Financial liabilities at FVTPL credit risk reserve	Cash flow hedging reserve	Cost of hedging reserve	Foreign exchange translation reserve	Share-based payments reserve	Retained earnings	<b>Attributable to owners of the parent</b>	Non-controlling interest	<b>Total equity</b>
CU	CU	CU	CU	CU	CU	CU	CU	CU	CU



Source		International GAAP Holdings Limited				
		Equity attributable to equity holders of the parent				
		Share capital	Share premium account	Own shares	Properties revaluation reserve	Investments revaluation reserve
IFRS 9:6.5.8(a) IFRS 7:24E(a) IFRS 9:6.5.11(a)&(d) IFRS 7:24E(b)-(c) IAS 21:52(b) IFRS 9:6.5.14		CU	CU	CU	CU	CU
	<b>Balance at 1 January 2023</b>					
IAS 1:106(d)(i)	Profit for the year					
IAS 1:106(d)(ii) IAS 1:106A	Other comprehensive income for the year					
IAS 1:106(a)	<b>Total comprehensive income for the year</b>					
IAS 1:106(d)(iii)	Issue of share capital					
IAS 1:107	Dividends					
	Transfer of cash flow hedging (gains)/ losses and cost of hedging to the initial carrying amount of hedged items					
	Transfer of credit risk reserve upon derecognition of the related financial liabilities					
	Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated as at FVTOCI					
	Own shares acquired in the year					
	Equity-settled share-based payments					
	Deferred tax on share-based payment transactions					
	Adjustment arising from change in non-controlling interest					
	Recognition of equity component of convertible loan notes					
	Deferred tax on equity component of convertible loan notes					
	<b>Balance at 31 December 2023</b>					


Option premium on convertible notes	Financial liabilities at FVTPL credit risk reserve	Cash flow hedging reserve	Cost of hedging reserve	Foreign exchange translation reserve	Share-based payments reserve	Retained earnings	<b>Attributable to owners of the parent</b>	Non-controlling interest	<b>Total equity</b>
CU	CU	CU	CU	CU	CU	CU	CU	CU	CU

Source	International GAAP Holdings Limited		31/12/2023	31/12/2022	
IAS 1:10(d) IAS 1:10(ea) IAS 7:1 IFRS 5:33(c)	<b>Consolidated statement of cash flows - Alt. 1 for the year ended 31 December 2023</b>				
IAS 1:113		Note	CU	CU	
		Profit for the year			
		Adjustments for:			
		Share of profit of associates			
		Share of profit of joint ventures			
		Finance income			
		Other gains and losses			
		Finance costs			
		Income tax expense			
		Gain on disposal of discontinued operations			
		Depreciation of property, plant and equipment			
		Impairment loss on property, plant and equipment			
		Depreciation of right-of-use assets			
		Impairment losses, net of reversals, on financial assets			
		Amortisation of intangible assets			
		Impairment of goodwill			
		Share-based payment expense			
		Fair value gain/loss on investment property			
		Gain on disposal of property, plant and equipment			
		Increase/(decrease) in provisions			
		Fair value gain/loss on derivatives and other financial assets held for trading			
		Difference between pension funding contributions paid and the pension cost charge			
	<b>Operating cash flows before movements in working capital</b>				
	Decrease/(increase) in inventories				
	Decrease/(increase) in trade and other receivables				
	Decrease/(increase) in contract assets				
	Decrease/(increase) in contract costs				
	Decrease/(increase) in right to returned goods assets				
	Increase/(decrease) in trade and other payables				
	Increase/(decrease) in contract liabilities				
	Increase/(decrease) in refund liability				
	Increase/(decrease) in deferred income				
	<b>Cash generated by operations</b>				
IAS 7:35-36	Income taxes paid				
	<b>Net cash from operating activities</b>				

Source	International GAAP Holdings Limited		
IAS 7:10	<b>Investing activities</b>		
IAS 7:16			
IAS 7:21-24			
IFRS 9:IG.G.2			
IAS 7:31	Interest received		
IAS 7:38	Dividends received from associates		
IAS 24:19(d)			
IAS 7:38	Dividends received from joint ventures		
IAS 24:19(e)			
IAS 7:31	Dividends received from equity instruments designated at FVTOCI		
	Proceeds on disposal of equity instruments held at FVTOCI		
IAS 7:39	Proceeds on disposal of subsidiary	52	
	Proceeds on disposal of property, plant and equipment		
	Purchases of property, plant and equipment		
IAS 20:28	Government grants towards purchase of equipment		
	Acquisition of investment in an associate		
	Purchases of equity instruments designated at FVTOCI		
	Purchases of patents and trademarks		
IAS 7:39	Acquisition of subsidiary	53	
	Cash received from the settlements of the derivative financial instruments held for hedging purposes		
	Cash paid due to the settlements of the derivative financial instruments held for hedging purposes		
	<b>Net cash (used in)/from investing activities</b>		
	<b>Financing activities</b>		
IAS 7:10			
IAS 7:17			
IAS 7:21-24			
IFRS 9:IG.G.2			
IAS 7:31	Dividends paid		
IAS 7:34			
IAS 7:31	Interest paid		
IFRS 16:50(b)			
IAS 7:21	Transaction costs related to loans and borrowings		
IAS 7:17(d)	Repayments of loans and borrowings		
IAS 7:17(c)	Proceeds from loans and borrowings		
IAS 7:17(b)	Repurchase of treasury shares		
IAS 7:17(e)	Repayment of lease liabilities		
IFRS 16:50(a)			

Source	International GAAP Holdings Limited		
IAS 7:17(c)	Proceeds on issue of convertible loan notes		
IAS 7:17(a)	Proceeds on issue of shares		
	Proceeds from sale of own shares		
	Proceeds on disposal of partial interest in a subsidiary that does not involve loss of control	20	
	Cash received from the settlements of the derivative financial instruments used to hedge liabilities arising from financing activities		
	Cash paid due to the settlements of the derivative financial instruments used to hedge liabilities arising from financing activities		
	<b>Net cash (used in)/from financing activities</b>		
	<b>Net increase/(decrease) in cash and cash equivalents</b>		
	<b>Cash and cash equivalents at beginning of year</b>		
IAS 7:28	Effect of foreign exchange rate changes		
	<b>Cash and cash equivalents at end of year</b>	54	

**Commentary:**  
*The above illustrates the indirect method of reporting cash flows from operating activities.*


 Australian entities commonly adopt the direct method of presentation of the statement of cash flows and in this case are additionally required to provide a reconciliation of the net cash flows from operating activities to profit or loss. An illustrative disclosure is included in Appendix 2 in Note 54.




Source	International GAAP Holdings Limited		31/12/2023	31/12/2022
		Note	CU	CU
IAS 1:10(d) IAS 1:10(ea) IAS 7:1 IFRS 5:33(c)	<b>Consolidated statement of cash flows - Alt. 2 For the year ended 31 December 2023</b>			
IAS 1:113 IAS 7:10 IAS 7:12-15 IAS 7:18-20	<b>Cash from operating activities</b>			
	Receipts from customers			
IFRS 16:50(c)	Payments to suppliers and employees			
	<b>Cash generated from operations</b>			
IAS 7:35-36	Income taxes paid			
	<b>Net cash from operating activities</b>			
IAS 7:10 IAS 7:16 IAS 7:21-24 IFRS 9:IG.G.2	<b>Investing activities</b>			
IAS 7:31	Interest received			
IAS 7:38 IAS 24:19(d)	Dividends received from associates			
IAS 7:38 IAS 24:19(e)	Dividends received from joint ventures			
IAS 7:31	Dividends received from equity instruments designated at FVTOCI			
	Proceeds on disposal of equity instruments held at FVTOCI			
IAS 7:39	Proceeds on disposal of subsidiary	52		
	Proceeds on disposal of property, plant and equipment			
	Purchases of property, plant and equipment			
IAS 20:28	Government grants towards purchase of equipment			
	Acquisition of investment in an associate			
	Purchases of equity instruments designated at FVTOCI			
	Purchases of patents and trademarks			
IAS 7:39	Acquisition of subsidiary	53		
	Cash received from the settlements of the derivative financial instruments held for hedging purposes			
	Cash paid due to the settlements of the derivative financial instruments held for hedging purposes			
	<b>Net cash (used in)/from investing activities</b>			

Source	International GAAP Holdings Limited	
	<b>Financing activities</b>	
IAS 7:10 IAS 7:17 IAS 7:21-24 IFRS 9:IG.G.2		
IAS 7:31 IAS 7:34	Dividends paid	
IAS 7:31 IFRS 16:50(b)	Interest paid	
IAS 7:21	Transaction costs related to loans and borrowings	
IAS 7:17(d)	Repayments of loans and borrowings	
IAS 7:17(c)	Proceeds from loans and borrowings	
IAS 7:17(b)	Repurchase of treasury shares	
IAS 7:17(e) IFRS 16:50(a)	Repayment of lease liabilities	
IAS 7:17(c)	Proceeds on issue of convertible loan notes	
IAS 7:17(a)	Proceeds on issue of shares	
	Proceeds from sale of treasury shares	
	Proceeds on disposal of partial interest in a subsidiary that does not involve loss of control	20
	Cash received from the settlements of the derivative financial instruments used to hedge liabilities arising from financing activities	
	Cash paid due to the settlements of the derivative financial instruments used to hedge liabilities arising from financing activities	
	<b>Net cash (used in)/from financing activities</b>	<u>                    </u> <u>                    </u>
	<b>Net increase/(decrease) in cash and cash equivalents</b>	
	<b>Cash and cash equivalents at beginning of year</b>	
IAS 7:28	Effect of foreign exchange rate changes	
	<b>Cash and cash equivalents at end of year</b>	54 <u>                    </u> <u>                    </u>

**Commentary:**  
*The above illustrates the direct method of reporting cash flows from operating activities.*

 Australian entities commonly adopt the direct method of presentation of the statement of cash flows and in this case are additionally required to provide a reconciliation of the net cash flows from operating activities to profit or loss. An illustrative disclosure is included in Appendix 2 in Note 54.

Source	International GAAP Holdings Limited																																								
	<p><b>Notes to the consolidated financial statements</b></p> <p><b>For the year ended 31 December 2023</b></p> <p><b>1. General information</b></p> <p>International GAAP Holdings Limited (the parent company) is a company limited by shares incorporated and registered in [A Land]. Its ultimate controlling party is [name]. The address of the parent company's registered office is shown on page [X].</p> <p>The principal activities of the parent company and its subsidiaries (the group) and the nature of the group's operations are set out in note 6.</p> <p>These financial statements are presented in Currency Units (CUs) and are rounded to the nearest CU. Foreign operations are included in accordance with the policies set out in note 3.</p> <p><b>2. Adoption of new and revised Standards</b></p> <p><b>Change in accounting policy</b></p> <p>[Describe the nature of the change in accounting policy, describe the transitional provisions (if applicable) and describe the transitional provisions that might have an effect on future periods (if applicable)].</p> <p>The following table summarises the impact of the change in policy on the financial statements of the group. The impact of the change in policy on both basic and diluted earnings per share is presented in note 15.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2023</th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> </tr> </thead> <tbody> <tr> <td><b>Consolidated statement of profit or loss</b></td> <td></td> <td></td> </tr> <tr> <td>[Describe captions affected]</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Increase/(decrease) in profit for the financial year</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td><b>Consolidated statement of financial position</b></td> <td></td> <td></td> </tr> <tr> <td>[Describe captions affected]</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Increase/(decrease) in net assets</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> </tbody> </table> <p>[Describe the amount of the adjustment relating to periods before those presented (to the extent practicable)]</p> <p>[If retrospective application is impracticable for a particular prior period, or for periods before those presented, describe the circumstances that led to the existence of that condition and describe how and from when the change in accounting policy has been applied].</p> <p><b>Prior period errors</b></p> <p>[Describe the nature of the prior period error]</p> <p>The following table summarises the impact of the prior period error on the financial statements of the group. The impact of the prior period error on both basic and diluted earnings per share is presented in note 15.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> </tr> </thead> <tbody> <tr> <td><b>Consolidated statement of profit or loss</b></td> <td></td> </tr> <tr> <td>[Describe captions affected]</td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Increase/(decrease) in profit for the financial year</td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td><b>Consolidated statement of financial position</b></td> <td></td> </tr> <tr> <td>[Describe captions affected]</td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Increase/(decrease) in net assets</td> <td style="border-top: 1px solid black;"></td> </tr> </tbody> </table> <p>[If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.]</p>		31/12/2023	31/12/2022		CU	CU	<b>Consolidated statement of profit or loss</b>			[Describe captions affected]			Increase/(decrease) in profit for the financial year			<b>Consolidated statement of financial position</b>			[Describe captions affected]			Increase/(decrease) in net assets				31/12/2022		CU	<b>Consolidated statement of profit or loss</b>		[Describe captions affected]		Increase/(decrease) in profit for the financial year		<b>Consolidated statement of financial position</b>		[Describe captions affected]		Increase/(decrease) in net assets	
	31/12/2023	31/12/2022																																							
	CU	CU																																							
<b>Consolidated statement of profit or loss</b>																																									
[Describe captions affected]																																									
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Increase/(decrease) in net assets																																									
IAS 24:13 IAS 1:138(a)&(c) IAS 1:138(b) IAS 1:51(d)-(e)																																									
IAS 8:14-15 IAS 8:28(a) IAS 8:28(c) IAS 8:28(b) IAS 8:28(d) IAS 8:28(e) IAS 8:28(f)(i)																																									
IAS 8:28(g) IAS 8:28(h)																																									
IAS 8:41 IAS 8:45 IAS 8:49(a) IAS 8:49(b)(i)																																									
IAS 8:49(d)																																									

Source	International GAAP Holdings Limited
IAS 8:28	<p><b><i>New and amended IFRS Accounting Standards that are effective for the current year</i></b></p> <p>In the current year, the group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.</p>
	<p><i>IFRS 17 Insurance Contracts</i> (including the June 2020 and December 2021 Amendments to IFRS 17)</p> <p>The group has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 <i>Insurance Contracts</i>.</p> <p>IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.</p> <p>The group does not have any contracts that meet the definition of an insurance contract under IFRS 17.</p>
	<p>Amendments to IAS 1 <i>Presentation of Financial Statements</i> and IFRS Practice Statement 2 <i>Making Materiality Judgements—Disclosure of Accounting Policies</i></p> <p>The group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.</p> <p>The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.</p> <p>The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.</p>
	<p>Amendments to IAS 12 <i>Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i></p> <p>The group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.</p> <p>Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.</p>
	<div style="border: 1px solid green; padding: 10px;">  <p>An Australian version of the disclosures in Note 2, referencing pronouncements as issued by the AASB (rather than IFRS Accounting Standards) is available in Note 2 in Appendix 2.</p> </div>

Source	International GAAP Holdings Limited	
IAS 8:28	<p>Amendments to IAS 12 <i>Income Taxes—International Tax Reform—Pillar Two Model Rules</i></p> <p>Amendments to IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates</i></p>	<p>The group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.</p> <p>The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.</p> <p>Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.</p> <p>The group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted.</p>
	<p><b>Commentary:</b></p> <p><i>In these illustrative financial statements, it is assumed that the group does not have any contracts that meet the definition of an insurance contract under IFRS 17.</i></p> <p><i>IFRS 17 is a complex accounting standard that captures contracts issued that transfer significant insurance risk. Such contracts can be issued by any entity including non-insurers who have not applied insurance accounting prior to IFRS 17. Accordingly, entities may need support from professionals such as actuaries and accountants to assist in the application of this new Standard.</i></p> <p><i>Illustrative disclosures for entities applying IFRS 17 are available in Deloitte’s publication <a href="#">Illustrative disclosures for insurers applying IFRS 17</a>.</i></p>	
IAS 8:30-31	<p><b><i>New and revised IFRS Accounting Standards in issue but not yet effective</i></b></p> <p><b>Commentary:</b></p> <p><i>Entities are required to disclose in their financial statements the potential impact of new and revised IFRS Accounting Standards that have been issued but are not yet effective. The disclosures below reflect a cut off date of 31 July 2023. The potential impact of the application of any new and revised IFRS Accounting Standard issued by the IASB after 31 July 2023, but before the financial statements are issued should also be considered and disclosed. The impact of the application of the new and revised IFRS Accounting Standards (see below) is for illustrative purposes only. Entities should analyse the impact based on their specific facts and circumstances.</i></p> <p>At the date of authorisation of these financial statements, the group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective <i>[and [in some cases] had not yet been adopted by the [relevant body]]</i>:</p>	

## Source

## International GAAP Holdings Limited

**Commentary:**

*The above statement should be tailored to be specific to the entity.*

*The impact of the application of the new and revised IFRS Accounting Standards below is for illustrative purposes only. Entities should analyse the impact of these new or revised IFRS Accounting Standards on their financial statements based on their specific facts and circumstances and make appropriate disclosures.*

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below.

#### **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods should such transactions arise.

#### **Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

**Amendments to IAS 1 *Presentation of Financial Statements*—Non-current Liabilities with Covenants**

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

**Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*—Supplier Finance Arrangements**

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

## Source

## International GAAP Holdings Limited

**Supplier finance arrangements**

*If an entity with material supplier finance arrangements has not yet applied the amendments to IAS 7 and IFRS 7, the entity should provide clear disclosure of:*

- *The approach to the presentation of significant supplier financing arrangements and, in accordance with IAS 1:122, the judgements made in applying that policy*
- *How supplier financing transactions have been reflected in the statement of cash flows*
- *The carrying amount of the liabilities in question and the line item(s) in which they are presented*
- *When supplier financing arrangements have been used as a tool to manage liquidity risk, the disclosures required by IFRS 7:39(c)*

**Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback**

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.


A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

**Commentary:**

*IAS 8:30 requires entities to give known or reasonably estimable information relevant to assessing the possible impact that the application of any new or revised IFRS Accounting Standard will have on the entity's financial statements in the period of initial application. The regulatory requirements in the various jurisdictions may differ as to how detailed the disclosures need to be; some regulators may require both qualitative and quantitative information to be disclosed whereas others may consider that qualitative information (e.g. key areas that may be affected by the new or revised IFRS Accounting Standard) suffices in many circumstances. For this reason, relevant regulatory guidance should also be taken into account in preparing the disclosure.*

*This applies to all new or revised IFRS Accounting Standards that have been issued but are not yet effective.*



Source	International GAAP Holdings Limited
IAS 1:112(a); IAS 1:119-121	<p><b>3. Accounting policies</b></p> <p><b>Commentary:</b></p> <p><i>Entities are required to disclose material accounting policy information. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements when considered together with other information included in the financial statements.</i></p> <p><i>Accounting policy information is expected to be material if the users of the financial statements need the information to understand other material information in the financial statements. For example, accounting policy information is likely to be considered material if the information relates to material transactions, other events or conditions and the accounting policy:</i></p> <ul style="list-style-type: none"> <li>• <i>Has changed during the period resulting in a material change to the information in the financial statements</i></li> <li>• <i>Was chosen from alternatives permitted by IFRS Accounting Standards</i></li> <li>• <i>Was developed in accordance with IAS 8 in the absence of an IFRS Accounting Standard which specifically applies</i></li> <li>• <i>Relates to an area for which the entity is required to make significant judgements and assumptions which are disclosed in accordance with IAS 1:122 and 125</i></li> <li>• <i>Relates to complex accounting for which users of the financial statements would otherwise not understand the relating transactions, other events or conditions</i></li> </ul> <p><i>Accounting policy information which relates to immaterial transactions, other events or conditions is immaterial and does not need to be disclosed. However, there may be accounting policy information which is considered material due to the nature of related transactions, other events or conditions even if the amounts are immaterial. Conversely, accounting policy information relating to material transactions, other events or conditions should not necessarily be considered material.</i></p> <p><i>IAS 1:117C notes that accounting policy information which is entity-specific, focusing on how the entity has applied the requirements of IFRS Accounting Standards to its own circumstances, is more useful to users of the financial statements than standardised information or information which duplicates or summarises the requirements of the relevant IFRS Accounting Standards.</i></p> <p><i>If an entity chooses to disclose immaterial accounting policy information, that information should not obscure material accounting policy information. Further, if an entity concludes that accounting policy information is immaterial, that conclusion does not affect the related disclosure requirements of other IFRS Accounting Standards.</i></p> <p><i>Please note that the accounting policy information included in this document is provided for illustrative purposes, without an assessment of its materiality.</i></p>
IAS 1:16 IAS 1:17(b) IAS 1:112(a) IAS 1:117 IAS 1:117A-E	<p><b>Basis of accounting</b></p> <p>The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards). <i>[The financial statements have also been prepared in accordance with IFRS Accounting Standards adopted by the European Union and therefore the group financial statements comply with Article 4 of the EU IAS Regulation.]</i></p>
	<p><b>Commentary:</b></p> <p><i>The above statement should be tailored to be specific to the entity.</i></p> <p><i>Most jurisdictions have a mechanism for incorporating IFRS Accounting Standards into their financial reporting system. These mechanisms range from direct adoption of 'IFRS Accounting Standards as issued by the IASB', through adopting local standards that are 'equivalent to IFRS Accounting Standards', to the extensive endorsement mechanism used in the European Union and the United Kingdom.</i></p>
	<p>The accounting policies adopted are set out below.</p> <div style="border: 1px solid black; padding: 10px; margin-top: 20px;">  See Note 3 in Appendix 2 for illustrative accounting policy disclosures for mining entities and for not-for-profit and public sector entities </div>

## Source

## International GAAP Holdings Limited

IAS 1:25

**Going concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the parent company and entities controlled by the parent company (its subsidiaries) made up to 31 December each year. Control is achieved when the parent company:

- Has the power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns

The parent company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the parent company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The parent company considers all relevant facts and circumstances in assessing whether or not the parent company's voting rights in an investee are sufficient to give it power, including:

- The size of the parent company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Potential voting rights held by the parent company, other vote holders or other parties
- Rights arising from other contractual arrangements
- Any additional facts and circumstances that indicate that the parent company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings

Consolidation of a subsidiary begins when the parent company obtains control over the subsidiary and ceases when the parent company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the parent company gains control until the date when the parent company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the parent company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

\*This symbol indicates that this area of the illustrative financial statements may be affected by the effects of climate change. Please see the table in Appendix 1 to see how this area may be affected. For areas affected by the effects of climate change, it would be expected that the entity discusses in its disclosures how the area is affected.

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Changes in the group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent company.

When the group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

### Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the group, liabilities incurred by the group to the former owners of the acquiree and the equity interest issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 *Employee Benefits* respectively
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date (see below)
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.



When a business combination is achieved in stages, the group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

### Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The group's policy for goodwill arising on the acquisition of an associate is described below.

### Investments in associates and joint ventures

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate or a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the group's share of losses of an associate or a joint venture exceeds the group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the group's net investment in the associate or joint venture), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

## Source

## International GAAP Holdings Limited

If there is objective evidence that the group's net investment in an associate or joint venture is impaired, the requirements of IAS 36 *Impairment of Assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the group reduces its ownership interest in an associate or a joint venture but the group continues to use the equity method, the group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the group.

The group applies IFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the group does not take into account adjustments to their carrying amount required by IAS 28 *Investments in Associates and Joint Ventures* (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

**Interests in joint operations**

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly
- Its liabilities, including its share of any liabilities incurred jointly
- Its revenue from the sale of its share of the output arising from the joint operation
- Its share of the revenue from the sale of the output by the joint operation
- Its expenses, including its share of any expenses incurred jointly

The group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Accounting Standards applicable to the particular assets, liabilities, revenue and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the group does not recognise its share of the gains and losses until it resells those assets to a third party.

**Non-current assets held for sale**

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

When the group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

**Revenue recognition**

The group recognises revenue from the following major sources:


- Sale of leisure goods and electronic equipment, including the related loyalty programme 'Maxi-Points Scheme', as disclosed in note 60, maintenance included in the price of products sold, as well as warranties granted under local legislation as disclosed in note 39
- Installation of computer software for specialised business applications
- Construction of residential properties

Source	International GAAP Holdings Limited
IFRS 15:31 IFRS 15:46 IFRS 15:47 IFRS 15:119	<p>Revenue is measured based on the consideration to which the group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.</p>
	<p><i>Sale of leisure goods</i></p>
IFRS 15:119(e) IFRS 15:B30	<p>The group sells sport shoes, sport equipment and outdoor play equipment both to the wholesale market and directly to customers through its own retail outlets. Sales-related warranties associated with leisure goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the group accounts for warranties in accordance with IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> (see note 39).</p>
IFRS 15:125	<p>For sales of leisure goods to the wholesale market, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the wholesaler's specific location (delivery). Following delivery, the wholesaler has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the group when the goods are delivered to the wholesaler as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.</p>
IFRS 15:108 IFRS 15:125	<p>For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.</p>
IFRS 15:55 IFRS 15:119(d) IFRS 15:126(b) IFRS 15:126(d) IFRS 15:B21	<p>Under the group's standard contract terms, customers have a right of return within 30 days. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the group has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.</p>
	<p><i>Sale of electronic equipment</i></p>
IFRS 15:55 IFRS 15:125 IFRS 15:119(d) IFRS 15:B21	<p>The group sells electronic equipment to the wholesale market and directly to customers both through its own retail outlets and through internet sales.</p>
IFRS 15:106 IFRS 15:117 IFRS 15:125	<p>For sales of electronic equipment to the wholesale market and through retail outlets and internet sales, revenue is recognised by the group at a point in time in line with the policy outlined above for the sale of leisure goods. For sales to retail customers (from both retail outlet and internet sales) there exists the same 30-day right of return and accordingly a refund liability and a right to returned goods asset are recognised in relation to electronic equipment expected to be returned.</p>
IFRS 15:106 IFRS 15:117 IFRS 15:125	<p>For internet sales, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location. When the customer initially purchases the goods online the transaction price received by the group is recognised as a contract liability until the goods have been delivered to the customer.</p>
	<p><i>'Maxi-Points' customer loyalty programme</i></p>
IFRS 15:B39 IFRS 15:B40	<p>The group operates a 'Maxi-Points' loyalty programme through which retail customers accumulate points on purchases of leisure goods and electronic equipment that entitle them to discounts on future purchases. These points provide a discount to customers that they would not receive without purchasing the leisure goods or electronic equipment (i.e. a material right). The promise to provide the discount to the customer is therefore a separate performance obligation.</p>
IFRS 15:74 IFRS 15:106 IFRS 15:117 IFRS 15:B42	<p>The transaction price is allocated between the product, the maintenance services (if the product is electronic equipment, as described below) and the points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the discount to be given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the group's historical experience. A contract liability is recognised for revenue relating to the loyalty points at the time of the initial sales transaction. Revenue from the loyalty points is recognised when the points are redeemed by the customer. Revenue for points that are not expected to be redeemed is recognised in proportion to the pattern of rights exercised by customers.</p>



Source	International GAAP Holdings Limited
	<i>Maintenance relating to electronic equipment</i>
IFRS 15:B41	Included in the transaction price for the sale of electronic equipment is an after-sales service. This service relates to maintenance work that may be required to be carried out on the equipment for a three-year period after sale. This period can then be extended if the customer requires additional years of maintenance services. The renewal of services after the three-year period will be for the price at which these are sold by the group to all of its customers as at the date of renewal regardless of the existence of a renewal option. Consequently, the option to extend the renewal period does not provide customers with any advantage when they enter into the initial contract and therefore no revenue has been deferred relating to this renewal option.
IFRS 15:27 IFRS 15:74 IFRS 15:81 IFRS 15:126 (c) IFRS 15:B29	The maintenance service is considered to be a distinct service as it is both regularly supplied by the group to other customers on a stand-alone basis and is available for customers from other providers in the market. A portion of the transaction price is therefore allocated to the maintenance services based on the stand-alone selling price of those services. Discounts are not considered as they are only given in rare circumstances and are never material.
IFRS 15:35(a) IFRS 15:123(a) IFRS 15:124 IFRS 15:106 IFRS 15:117	Revenue relating to the maintenance services is recognised over time. The transaction price allocated to these services is recognised as a contract liability at the time of the initial sales transaction and is released on a straight-line basis over the period of service (i.e. three years when the services are purchased together with the underlying equipment).
	<i>Installation of software services</i>
IFRS 15:35(b) IFRS 15:124 IFRS 15:107 IFRS 15:117	The group provides a service of installation of various software products for specialised business operations. Such services are recognised as a performance obligation satisfied over time. Revenue is recognised for these installation services based on the stage of completion of the contract. The directors have assessed that the stage of completion determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under IFRS 15 <i>Revenue from Contracts with Customers</i> . Payment for installation of software services is not due from the customer until the installation services are complete and therefore a contract asset is recognised over the period in which the installation services are performed representing the entity's right to consideration for the services performed to date.
	<i>Construction of residential properties</i>
IFRS 15:35(c) IFRS 15:124	The group constructs and sells residential properties under long-term contracts with customers. Such contracts are entered into before construction of the residential properties begins. Under the terms of the contracts, the group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue from construction of residential properties is therefore recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.
IFRS 15:117 IFRS 15:106 IFRS 15:107 IFRS 15:126	The group becomes entitled to invoice customers for construction of residential properties based on achieving a series of performance-related milestones. When a particular milestone is reached the customer is sent a relevant statement of work signed by a third party assessor and an invoice for the related milestone payment. The group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the group recognises a contract liability for the difference. There is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue under the cost-to-cost method and the milestone payment is always less than one year.



Source	International GAAP Holdings Limited
	<b>Leases</b>
IFRS 16:51	(a) <i>The group as lessee</i>
IFRS 16:5 IFRS 16:6 IFRS 16:9 IFRS 16:60	<p>The group assesses whether a contract is, or contains, a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.</p>
IFRS 16:26	<p>The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.</p> <p>The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the group and the lease does not benefit from a guarantee from the group.</p>
IFRS 16:27	<p>Lease payments included in the measurement of the lease liability comprise :</p> <ul style="list-style-type: none"> <li>• Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable</li> <li>• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date</li> <li>• The amount expected to be payable by the lessee under residual value guarantees</li> <li>• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options</li> <li>• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease</li> </ul>
IFRS 16:39	<p>The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.</p> <p>The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:</p>
IFRS 16:40(a)	<ul style="list-style-type: none"> <li>• The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate</li> </ul>
IFRS 16:42	<ul style="list-style-type: none"> <li>• The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)</li> </ul>
IFRS 16:45(c)	<ul style="list-style-type: none"> <li>• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification</li> </ul>
	<p>The group did not make any such adjustments during the periods presented.</p>
IFRS 16:24 IFRS 16:30	<p>The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.</p>

Source	International GAAP Holdings Limited
	Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.
IFRS 16:32	Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.
IFRS 16:47	The group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.
IFRS 16:38	Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss (see note 30).
IFRS 16:12 IFRS 16:15	As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.
IFRS 16:89	<i>(b) The group as lessor</i>
IFRS 16:61 IFRS 16:62	The group enters into lease agreements as a lessor with respect to some of its investment properties. The group also rents equipment to retailers necessary for the presentation and customer fitting and testing of footwear and equipment manufactured by the group.
	Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.
IFRS 16:B58	When the group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.
IFRS 16:81 IFRS 16:83	Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.
IFRS 16:67 IFRS 16:75	Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.
	Subsequent to initial recognition, the group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.
	Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).
IFRS 16:17	When a contract includes both lease and non-lease components, the group applies IFRS 15 to allocate the consideration under the contract to each component.
	<p><b>Foreign currencies</b></p> <p>In preparing the financial statements of the group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies</p>

## Source

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are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings
- Exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting)
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the parent company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the qualifying asset affects profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### Government grants

Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and that the grants will be received.

IAS 20:39(a)



## Source

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Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.



### Retirement and termination benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the group recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- Service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements
- Net interest expense or income
- Remeasurements

The group recognises service costs within profit or loss as cost of sales and administrative expenses (see note 58).

Net interest expense or income is recognised within finance costs (see note 11).

The retirement benefit obligation recognised in the consolidated statement of financial position represents the deficit or surplus in the group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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*[If applicable include alternative explanation about rights to refunds: The Trust Deed provides International GAAP Holdings Limited with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind-up. Furthermore, in the ordinary course of business the Trustee has no rights to unilaterally wind up, or otherwise augment the benefits due to members of, the plan. Based on these rights, any net surplus in the plan is recognised in full.]*

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting treatment depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset)
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the entity reduces service cost by attributing the contributions to periods of service using the attribution method required by IAS 19:70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the entity *[reduces service cost in the period in which the related service is rendered/reduces service cost by attributing contributions to the employees' periods of service in accordance with IAS 19:70]*

### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the group in respect of services provided by employees up to the reporting date.

### Taxation

The income tax expense represents the sum of current and deferred income tax expense.

#### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the parent company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.





### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors reviewed the group's investment property portfolios and concluded that none of the group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted. As a result, the group has not recognised any deferred taxes on changes in fair value of the investment properties as the group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

### *Current tax and deferred tax for the year*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

IAS 16:73(a)-(c)

### **Property, plant and equipment**

Land and buildings held for use in the production or supply of goods or services for rental to others (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Source	International GAAP Holdings Limited
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Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the group's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Plant, machinery, fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Buildings	4 per cent per annum
Plant and machinery	10 per cent - 25 per cent per annum
Fixtures and fittings	10 per cent - 30 per cent per annum

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### **Commentary:**

*Provide additional explanation if the group has elected to use fair value or a previous revaluation as deemed cost on transition to IFRS Accounting Standards.*

IAS 40:75(a)

#### **Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Source	International GAAP Holdings Limited
	<p><b>Commentary:</b>  <i>A group that elects to use the cost model for investment property (not illustrated in these illustrative financial statements) should disclose an appropriate policy and make reference, if relevant, to the use of the elections to use fair value or previous revaluations as deemed cost on transition.</i></p>
IAS 38:118(a)	<p><b>Intangible assets acquired separately</b></p> <p>Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which are disclosed in note 17. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.</p>
IAS 38:118(b)	<p><b>Internally-generated intangible assets – research and development expenditure</b></p> <p>Expenditure on research activities is recognised as an expense in the period in which it is incurred.</p> <p>An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:</p> <ul style="list-style-type: none"> <li>• The technical feasibility of completing the intangible asset so that it will be available for use or sale</li> <li>• The intention to complete the intangible asset and use or sell it</li> <li>• The ability to use or sell the intangible asset</li> <li>• How the intangible asset will generate probable future economic benefits</li> <li>• The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset</li> <li>• The ability to measure reliably the expenditure attributable to the intangible asset during its development</li> </ul> <p>The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.</p> <p>Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.</p>
IAS 38:118(b)	<p><b>Intangible assets acquired in a business combination</b></p> <p>Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).</p> <p>Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.</p> <p><b>Derecognition of intangible assets</b></p> <p>An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.</p>





### Patents and trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

### Impairment of property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

IAS 2:36(a)

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and *[list the estimated costs necessary to make the sale, for example, costs to be incurred in marketing, selling and distribution]*.

Source	International GAAP Holdings Limited
	<p><b>Cash and cash equivalents</b></p> <p>In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.</p> <p>Bank balances for which use by the group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 54. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.</p> <p>For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the group's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.</p>
IFRS 7:21	<p><b>Financial instruments</b></p> <p>Financial assets and financial liabilities are recognised in the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.</p> <p>Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.</p>
IFRS 7:B5(c)	<p><b>Financial assets</b></p> <p>All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.</p> <p>All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.</p>

**Classification of financial assets**

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the group may make the following irrevocable election / designation at initial recognition of a financial asset:

- The group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below)
- The group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below)

*(i) Amortised cost and effective interest method*


The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Source	International GAAP Holdings Limited
IFRS 7:B5(e)	<p>For purchased or originated credit-impaired financial assets, the group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.</p> <p>Interest income is recognised in profit or loss and is included in the "finance income - interest income" line item (note 9).</p> <p><i>(ii) Debt instruments classified as at FVTOCI</i></p> <p>The corporate bonds held by the group are classified as at FVTOCI. Fair value is determined in the manner described in note 62(a)(i). The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.</p> <p><i>(iii) Equity instruments designated as at FVTOCI</i></p> <p>On initial recognition, the group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.</p> <p>Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.</p> <p>Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Finance income - Other' line item (note 9) in profit or loss.</p> <p>The group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition (see note 24).</p> <p>A financial asset is held for trading if either:</p> <ul style="list-style-type: none"> <li>• It has been acquired principally for the purpose of selling it in the near term</li> <li>• On initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has evidence of a recent actual pattern of short-term profit-taking</li> <li>• It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)</li> </ul> <p><i>(iv) Financial assets at FVTPL</i></p> <p>Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:</p> <ul style="list-style-type: none"> <li>• Investments in equity instruments are classified as at FVTPL, unless the group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above)</li> <li>• Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The group has not designated any debt instruments as at FVTPL</li> </ul>

Source	International GAAP Holdings Limited
IFRS 7:B5(e)	<p>Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item (note 10). Fair value is determined in the manner described in note 62(a)(i).</p> <p><b>Foreign exchange gains and losses</b></p> <p>The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:</p> <ul style="list-style-type: none"> <li>• For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item (note 10)</li> <li>• For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item (note 10). As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in the investments revaluation reserve</li> </ul>
IFRS 7:B5(e)	<ul style="list-style-type: none"> <li>• For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item as part of the fair value gain or loss (note 10)</li> <li>• For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve</li> </ul> <p>See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk component of a financial asset is designated as a hedging instrument for a hedge of foreign currency risk.</p>
IFRS 7:35F 	<p><b>Impairment of financial assets</b></p> <p>The group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.</p> <p>The group always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.</p> <p>For all other financial instruments, the group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.</p> <p>Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.</p>

Source	International GAAP Holdings Limited
IFRS 7:35F(a) IFRS 7:35G(b)	<p data-bbox="308 235 638 264"><i>(i) Significant increase in credit risk</i></p> <p data-bbox="308 280 1493 544">In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the group's core operations.</p>
IFRS 7:35F(a) IFRS 7:35G(a)(ii)	<p data-bbox="308 562 1425 618">In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:</p> <ul data-bbox="308 633 1493 1115" style="list-style-type: none"> <li data-bbox="308 633 1493 696">• An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating</li> <li data-bbox="308 725 1493 813">• Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost</li> <li data-bbox="308 842 1493 904">• Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations</li> <li data-bbox="308 934 1185 965">• An actual or expected significant deterioration in the operating results of the debtor</li> <li data-bbox="308 994 1185 1025">• Significant increases in credit risk on other financial instruments of the same debtor</li> <li data-bbox="308 1055 1493 1115">• An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations</li> </ul> <p data-bbox="308 1144 1493 1232">Irrespective of the outcome of the above assessment, the group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.</p> <p data-bbox="308 1249 1493 1337">Despite the foregoing, the group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:</p> <ul data-bbox="308 1352 1493 1547" style="list-style-type: none"> <li data-bbox="308 1352 823 1384">• The financial instrument has a low risk of default</li> <li data-bbox="308 1413 1289 1444">• The debtor has a strong capacity to meet its contractual cash flow obligations in the near term</li> <li data-bbox="308 1473 1493 1547">• Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations</li> </ul>
IFRS 7:35F(a)(i)	<p data-bbox="308 1581 1493 1697">The group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.</p> <p data-bbox="308 1715 1493 1856">For financial guarantee contracts, the date that the group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the group considers the changes in the risk that the specified debtor will default on the contract.</p> <p data-bbox="308 1874 1493 1962">The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.</p>

Source	International GAAP Holdings Limited
IFRS 7:35F(b)	<p data-bbox="308 230 531 264"><i>(ii) Definition of default</i></p> <p data-bbox="308 282 1477 376">The group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:</p> <ul data-bbox="308 394 1477 521" style="list-style-type: none"> <li data-bbox="308 394 935 427">• When there is a breach of financial covenants by the debtor</li> <li data-bbox="308 456 1477 521">• Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collateral held by the group)</li> </ul> <p data-bbox="308 555 1477 647">Irrespective of the above analysis, the group considers that default has occurred when a financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.</p>
IFRS 7:35F(d) IFRS 7:35G(a)(iii)	<p data-bbox="308 683 647 714"><i>(iii) Credit-impaired financial assets</i></p> <p data-bbox="308 728 1450 822">A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:</p> <ul data-bbox="308 835 1461 1131" style="list-style-type: none"> <li data-bbox="308 835 919 869">• Significant financial difficulty of the issuer or the borrower</li> <li data-bbox="308 893 1054 927">• A breach of contract, such as a default or past due event (see (ii) above)</li> <li data-bbox="308 952 1461 1016">• The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider</li> <li data-bbox="308 1041 1310 1075">• It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation</li> <li data-bbox="308 1099 1273 1133">• The disappearance of an active market for that financial asset because of financial difficulties</li> </ul>
IFRS 7:35F(e)	<p data-bbox="308 1164 488 1196"><i>(iv) Write-off policy</i></p> <p data-bbox="308 1209 1485 1402">The group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.</p>
IFRS 7:35G(a)	<p data-bbox="308 1433 860 1464"><i>(v) Measurement and recognition of expected credit losses</i></p> <p data-bbox="308 1478 1485 1733">The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount of guaranteed debt that has been drawn down as at the reporting date, together with any additional guaranteed amounts expected to be drawn down by the borrower in the future by default date determined based on historical trend, the group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.</p> <p data-bbox="308 1749 1477 1908">For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.</p> <p data-bbox="308 1924 1485 2051">For a financial guarantee contract, as the group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the group expects to receive from the holder, the debtor or any other party.</p>

## Source

## International GAAP Holdings Limited

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

#### *Derecognition of financial assets*

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

### **Financial liabilities and equity**

#### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the parent company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the parent company's own equity instruments.

#### *Compound instruments*

The component parts of convertible loan notes issued by the group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the parent company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case the balance recognised in equity will be transferred to [share premium/other equity [describe]]. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognised in equity will be transferred to [retained earnings/other equity [describe]]. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.



Source	International GAAP Holdings Limited
IFRS 7:B5(e)	<p>Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.</p> <p><i>Financial liabilities</i></p> <p>All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the group, are measured in accordance with the specific accounting policies set out below.</p> <p><i>Financial liabilities at FVTPL</i></p> <p>Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.</p> <p>A financial liability is classified as held for trading if either:</p> <ul style="list-style-type: none"> <li>• It has been acquired principally for the purpose of repurchasing it in the near term</li> <li>• On initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking</li> <li>• It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument</li> </ul> <p>A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if either:</p> <ul style="list-style-type: none"> <li>• Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise</li> <li>• The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis</li> <li>• It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL</li> </ul> <p>Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other gains and losses' line item (note 10) in profit or loss.</p> <p>However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.</p> <p>Gains or losses on financial guarantee contracts issued by the group that are designated by the group as at FVTPL are recognised in profit or loss.</p> <p>Fair value is determined in the manner described in note 62(a)(i).</p> <p><i>Financial liabilities measured subsequently at amortised cost</i></p> <p>Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.</p>

## Source

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The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

*Financial guarantee contract liabilities*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above)
- The amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above

*Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss (note 10) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

*Derecognition of financial liabilities*

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

IFRS 7:21

***Derivative financial instruments***

The group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps. Further details of derivative financial instruments are disclosed in notes 34 and 62(c).

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Source	International GAAP Holdings Limited
IFRS 7:21	<p>A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the group has both a legally enforceable right and intention to offset. The impact of the master netting agreements on the group's financial position is disclosed in note 34. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.</p> <p><i>Embedded derivatives</i></p> <p>An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.</p> <p>Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.</p> <p>Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.</p> <p>If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the group generally designates the whole hybrid contract at FVTPL.</p> <p>An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.</p>
	<p><b><i>Hedge accounting</i></b></p> <p>The group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.</p> <p>At the inception of the hedge relationship, the group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:</p> <ul style="list-style-type: none"> <li>• There is an economic relationship between the hedged item and the hedging instrument</li> <li>• The effect of credit risk does not dominate the value changes that result from that economic relationship</li> <li>• The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the group actually uses to hedge that quantity of hedged item</li> </ul> <p>If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.</p> <p>The group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.</p> <p>The group designates only the intrinsic value of option contracts as a hedged item, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time-period related, then the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a rational basis – the group applies straight-line amortisation. Those reclassified amounts are recognised in profit</p>

## Source

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or loss in the same line as the hedged item. If the hedged item is a non-financial item, then the amount accumulated in the cost of hedging reserve is removed directly from equity and included in the initial carrying amount of the recognised non-financial item. Furthermore, if the group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Note 62(a) sets out details of the fair values of the derivative instruments used for hedging purposes.

Movements in the hedging reserve in equity are detailed in note 46.

#### *Fair value hedges*

The fair value change on qualifying hedging instruments is recognised in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognised in other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVTOCI, the carrying amount is not adjusted as it is already at fair value, but the hedging gain or loss is recognised in profit or loss instead of other comprehensive income. When the hedged item is an equity instrument designated at FVTOCI, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument.

Where hedging gains or losses are recognised in profit or loss, they are recognised in the same line as the hedged item.

The group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

#### *Cash flow hedges*

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

#### *Hedges of net investments in foreign operations*

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the foreign currency forward contracts relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.



Gains and losses on the hedging instrument accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

### Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### *Restructurings*

A restructuring provision is recognised when the group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

#### *Warranties*

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the group's obligation.

#### *Onerous contracts*

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

#### *Restoration provisions*

Provisions for the costs to restore leased plant assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

#### *Contingent liabilities acquired in a business combination*

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 and the amount recognised initially less cumulative amount of income recognised in accordance with the principles of IFRS 15.

### Own shares

Own shares represent the shares of the parent company International GAAP Holdings Limited that are held in treasury or by the employee benefit trust. Own shares are recorded at cost and deducted from equity.

### Share-based payments

#### *Share-based payment transactions of the parent company*

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting

## Source

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conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 57.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

*Share-based payment transactions of the acquiree in a business combination*

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with IFRS 2 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the group replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with IFRS 2. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the group for its share-based payment transactions, the acquiree share-based payment transactions are measured at their market-based measure at the acquisition date. If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognised as remuneration cost for post-combination service.

**Factoring of receivables**

*When an entity enters into arrangements for factoring of receivables where they are not fully derecognised, it is important that the policy adopted for the treatment of cash flows arising is clearly explained and that any non-cash financing transactions are disclosed in accordance with IAS 7:43. In particular, an explanation of whether the cash flows received on the receivables are treated as operating inflows associated financing outflows that are deemed to repay the financing liability that was recognised when the receivables were transferred. Balances that will give rise to financing cash flows should also be included in the disclosure of changes in such balances required by IAS 7:44A-44E.*



#### 4. Critical accounting judgements and key sources of estimation uncertainty

##### **Commentary:**

*The following are examples of the types of disclosures that might be required in this area. The nature of these disclosures is specific to an individual group's particular circumstances. Although the illustrative financial statements illustrate disclosures to comply with these requirements, it is unlikely that these specific illustrative disclosures would be appropriate other than in very rare circumstances.*

In applying the group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

IAS 1:122

##### **Critical judgements in applying the group's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

IFRS 15:123(a)  
IFRS 15:125

##### **Judgements in determining the timing of satisfaction of performance obligations**

Note 7 describes the expenditure required in the year for rectification work carried out on goods supplied to one of the group's major customers. These goods were delivered to the customer in the months of \_\_ to \_\_ 2023, and shortly thereafter the defects were identified by the customer. Following negotiations, a schedule of works was agreed, which will involve expenditure by the group until 2024. In the light of the problems identified, management was required to consider whether it was appropriate to recognise the revenue from these transactions of CU\_\_ million in the current year, in line with the group's general policy of recognising revenue when goods are delivered, or whether it was more appropriate to defer recognition until the rectification work was complete.

In making their judgement, the directors considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the group had transferred control of the goods to the customer. Following the detailed quantification of the group's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that control has been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision for the rectification costs.

##### **Capitalisation of borrowing costs**

As described in note 3, the group capitalises borrowing costs directly attributable to the acquisition, construction or production of qualifying assets. Capitalisation of the borrowing costs relating to construction of the group's premises in [A Land] was suspended in 2022, while the development was delayed as management reconsidered its detailed plans. Capitalisation of borrowing costs recommenced in 2023 – following the finalisation of revised plans, and the resumption of the activities necessary to prepare the asset for its intended use. Although construction of the premises was not restarted until May 2023, borrowing costs have been capitalised from February 2023, at which time the technical and administrative work associated with the project recommenced.



Source	International GAAP Holdings Limited
	<p data-bbox="308 235 611 264"><b><i>Business model assessment</i></b></p> <p data-bbox="308 297 1485 678">Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 3). The group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.</p> <p data-bbox="308 712 667 741"><b><i>Significant increase in credit risk</i></b></p> <p data-bbox="308 775 1477 931">As explained in note 3, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the group takes into account qualitative and quantitative reasonable and supportable forward-looking information.</p> <p data-bbox="308 965 783 994"><b><i>Deferred taxation on investment properties</i></b></p> <p data-bbox="308 1028 1485 1312">For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the group's investment property portfolios and concluded that the group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the group has not recognised any deferred taxes on changes in fair value of investment properties as the group is not subject to any income taxes on the fair value changes of the investment properties on disposal.</p>
IFRS 12:7(a)	<p data-bbox="308 1346 671 1375"><b><i>Control over Subsidiary B Limited</i></b></p>
IFRS 12:9(b)	<p data-bbox="308 1413 1465 1570">Note 20 describes that Subsidiary B Limited is a subsidiary of the group even though the group has only a 45 per cent ownership interest and has only 45 per cent of the voting rights in Subsidiary B Limited. Subsidiary B Limited is listed on the stock exchange of [A Land]. The group has held its 45 per cent ownership since June 2017 and the remaining 55 per cent of the ownership interests are held by thousands of shareholders that are unrelated to the group.</p> <p data-bbox="308 1581 1465 1771">The directors of the parent company assessed whether or not the group has control over Subsidiary B Limited based on whether the group has the practical ability to direct the relevant activities of Subsidiary B Limited unilaterally. In making their judgement, the directors considered the group's absolute size of holding in Subsidiary B Limited and the relative size of and dispersion of the shareholdings owned by the other shareholders. After assessment, the directors concluded that the group has a sufficiently dominant voting interest to direct the relevant activities of Subsidiary B Limited and therefore the group has control over Subsidiary B Limited.</p> <p data-bbox="308 1783 1477 1883">If the directors had concluded that the 45 per cent ownership interest was insufficient to give the group control, Subsidiary B Limited would instead have been classified as an associate and the group would have accounted for it using the equity method of accounting.</p>
IFRS 12:7(b)	<p data-bbox="308 1917 799 1946"><b><i>Significant influence over Associate B Limited</i></b></p>
IFRS 12:9(e)	<p data-bbox="308 1984 1477 2074">Note 21 describes that Associate B Limited is an associate of the group although the group only owns a 17 per cent ownership interest in Associate B Limited. The group has significant influence over Associate B Limited by virtue of its contractual right to appoint two out of seven directors to the board of directors of that entity.</p>



## Source

## International GAAP Holdings Limited

***Judgement in identifying whether a contract includes a lease – Contract for the supply of sports shoes***

The group has entered into a contract with [Manufacturer A] for the supply of sports shoes for a three-year period. Each month the type of sports shoes and the production volume, up to a limit of [X] pairs, are determined by the group and are not specified in the contract.

[Manufacturer A] has only one factory that can meet the needs of the group and is unable to supply the sports shoes from another factory or source the sports shoes from a third party supplier. [Manufacturer A] makes all decisions about the operations of the factory, including the production level at which to run the factory and which customer contracts to fulfil with the output of the factory that is not used to fulfil the group's contract for that month.

The directors of the parent company assessed whether or not the group has contracted for the rights to substantially all of the capacity of the factory and whether the contract with [Manufacturer A] contains a lease for the factory. After making inquiries based on forecast production volumes over the contract term the directors have established that [Manufacturer A] can regularly use the factory for other purposes during the course of the contract to supply other customers and therefore the group does not have the right to obtain substantially all of the economic benefits from the use of the factory. As a result the directors concluded that the group has not contracted for substantially all of the capacity of the factory, including the plant therein, and therefore the contract does not contain a lease.

IAS 1:125

**Key sources of estimation uncertainty**IAS 1:128  
IAS 1:129  
IAS 1:131

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

***Taxation provisions***

The group's current tax provision of CU\_\_ relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with [insert name of relevant Tax Authority]. Uncertain tax items for which a provision of CU\_\_ is made, relate principally to the interpretation of tax legislation regarding arrangements entered into by the group. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ significantly. Whilst a range of outcomes is reasonably possible, the extent of the reasonably possible range is from additional liabilities of up to CU\_\_ to a reduction in liabilities of up to CU\_\_.

***Impairment testing***

Following the assessment of the recoverable amount of goodwill allocated to 'Leisure goods – retail outlets', to which goodwill of CU\_\_ is allocated, the directors consider the recoverable amount of goodwill allocated to 'Leisure goods – retail outlets' to be most sensitive to the achievement of the 2024 budget. Budgets comprise forecasts of revenue, staff costs and overheads based on current and anticipated market conditions that have been considered and approved by the board. Whilst the group is able to manage most of 'Leisure goods – retail outlets' costs, the revenue projections are inherently uncertain due to the short-term nature of the business and unstable market conditions. Revenue of the CGU is most sensitive to changes in the sectors demand for sales in retail outlets, reflecting the increased use of internet sales by rivals, a service which the group does not currently offer.

The market for 'Leisure goods – retail outlets' products has seen a significant slowdown over the past 18 months due to a decline in the customer appetite for retail sales and increases in internet sales of rivals in the sector. It is possible that further underperformance may occur in 2024 if prevailing trends continue.

The sensitivity analysis in respect of the recoverable amount of 'Leisure goods – retail outlets' goodwill is presented in note 16.

***Calculation of loss allowance***

When measuring ECL the group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

## Source

## International GAAP Holdings Limited

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

If the ECL rates on trade receivables between 61 and 90 days past due had been \_\_ per cent higher (lower) as of December 2023, the loss allowance on trade receivables would have been CU\_\_ million (2022: CU\_\_ million) higher (lower).

If the ECL rates on trade receivables between 31 and 60 days past due had been \_\_ per cent higher (lower) as of December 2023, the loss allowance on trade receivables would have been CU\_\_ million (2022: CU\_\_ million) higher (lower).

#### ***Discount rate used to determine the carrying amount of the group's defined benefit obligation***

The determination of the group's defined benefit obligation depends on certain assumptions, which include selection of the discount rate. The discount rate is set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant assumptions are required to be made when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the group's financial statements within the next year. Further information on the carrying amounts of the group's defined benefit obligation and the sensitivity of those amounts to changes in discount rate are provided in note 58.

#### ***Fair value measurements and valuation processes***

Some of the group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the parent company has set up a valuation committee, which is headed up by the Chief Financial Officer of the parent company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the group engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the parent company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

The valuations of private equity investments, contingent consideration in business combinations and non-derivative financial assets held for trading are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Further information on the carrying amounts of these assets and the sensitivity of those amounts to changes in unobservable inputs are provided in note 62(a)(i).

#### ***Provision for restoration of contaminated land***

On 15 December 2023, new legislation in [A Land] was enacted which resulted in the requirement for the parent company to clean up historically contaminated waste sites in [A Land] and bear the costs thereof. Consequently, a provision of CU\_\_ million has been recognised. In estimating the provision, the directors have made assumptions regarding the interpretation of the legislation and have estimated costs based on currently available information about the likely extent of contamination and potential clean-up techniques. Due to the associated uncertainty, it is possible that estimates may need to be revised during the next year as interpretations of the legislation evolve and the extent of contamination and potential approaches to clean-up are assessed in more detail. Whilst a range of outcomes is possible, the directors believe that the reasonably possible range is an increase in provisions of up to CU\_\_ million to a reduction in provisions of up to CU\_\_ million. See note 39 for further details.

**Source International GAAP Holdings Limited**

**Assessment as to whether the right-of-use assets are impaired**

In January 2017, [Subsidiary D Limited], a subsidiary of the group, entered into a 10-year lease for an office building located in [location]. Following the acquisition of [Acquisition A Limited] on [date] 2023 and the subsequent restructuring programme, the group identified that the office space occupied by [Subsidiary E Limited], which is also located in [location], could accommodate all of the staff of [Subsidiary D Limited], and took the decision to relocate staff to a single office. The leased property previously occupied by [Subsidiary D Limited], has been marketed with a local estate agent and is expected to be sub-leased by the firm for the remainder of the lease term.

The directors have estimated that the entirety of the lease payment will be recoverable through the sub-lease of the property. This reflects the current achievable market rates for similar properties with similar lease terms and therefore no impairment has been recognised. The carrying amount of right-of-use asset in respect of the property is CU\_\_ at 31 December 2023 (2022: CU\_\_).

In estimating the recoverable amount of the right-of-use asset, the directors have made assumptions about the achievable market rates for similar properties with similar lease terms. Due to the associated uncertainty, it is possible that the estimates of the amount of lease payment that will be recovered through the sub-lease of the property may need to be revised during the next year. Achieving a sub-lease for only 95 per cent of the lease payment is considered reasonably possible based on recent experience in the market and would lead to an impairment charge of CU\_\_ against the right-of-use asset in respect of the property.

IFRS 15:113(a)

**5. Revenue**

IFRS 15:115

The group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 *Operating Segments* (see note 6).

IFRS 15:114  
IFRS 15:B87-89



**Disaggregation of revenue**

	31/12/2023	31/12/2022
	CU	CU

**External revenue by product line**

Electronic equipment – direct sale customers

Electronic equipment – wholesale customers

Electronic equipment – internet customers

Leisure goods – wholesale customers

Leisure goods – retail outlets

Computer software installation

Construction

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Source	International GAAP Holdings Limited	
	31/12/2023	31/12/2022
	CU	CU
	<b>External revenue by timing of revenue</b>	
	Goods transferred at a point in time	
	Goods transferred over time	
	Services transferred at a point in time	
	Services transferred over time	
	_____	_____
	_____	_____
	<p><b>Commentary:</b></p> <p><i>IFRS 15:114 requires an entity to disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. This disaggregation will depend on the entity's individual facts and circumstances.</i></p> <p><i>In the illustrative financial statements the group has assessed that the disaggregation of revenue by operating segments is appropriate in meeting this disclosure requirement as this is the information regularly reviewed by the chief operating decision maker (CODM) in order to evaluate the financial performance of the entity.</i></p> <p><i>If an entity discloses disaggregated revenue on a basis other than that used for revenue information disclosed for each reportable segment then the entity should disclose sufficient information to allow users of the financial statements to understand the relationship between these two disclosures.</i></p>	
IFRS 15:120(a)	The transaction price allocated to [unsatisfied and/or partially unsatisfied] obligations at 31 December 2023 are as set out below.	
	31/12/2023	31/12/2022
	CU	CU
	Maintenance obligations relating to electronic equipment	
	Installation of computer software services	
	Construction of residential properties	
	_____	_____
	_____	_____
IFRS 15:120(b)	Management expects that __ per cent of the transaction price allocated to the [unsatisfied and/or partially unsatisfied] contracts as of the year ended 2023 will be recognised as revenue during the next reporting period (CU__ million). The remaining __ per cent, CU__ million will be recognised in the 2025 financial year and CU__ million in the 2026 financial year.	

## Source

## International GAAP Holdings Limited

**Commentary:**

*There is no requirement in IFRS 15 for contract balances (i.e. contract assets, receivables and contract liabilities) to be disclosed together at a single place in the financial statements. Indeed, entities will likely continue to include balances arising from contracts with customers within the same financial statement line item and related note as previously under IAS 18 Revenue (e.g. contract liabilities within a deferred revenue note). IFRS 15 allows entities to use terms other than contract asset and contract liability to describe such balances.*

*Contract balances and the related disclosures have been included in the following places in the notes to the group's accounts:*

<i>Receivables</i>	<i>Balance described as 'Trade receivables' (note 31)</i>
<i>Contract assets</i>	<i>Note 27</i>
<i>Contract costs</i>	<i>Note 28</i>
<i>Contract liabilities</i>	<i>Note 60</i>

*Materiality considerations will affect the line items to be disclosed separately within each relevant IFRS 15 contract balance. A single net contract asset or liability should be presented for each contract balance.*

**6. Operating segments****Commentary:**

*The following segment information is required by IFRS 8 to be presented in the consolidated financial statements of a group with a parent (and in the separate or individual financial statements of an entity):*

- Whose debt or equity instruments are traded in a public market (a domestic or foreign stock exchange or an over the counter market, including local and regional markets)*
- That files, or is in the process of filing, its (consolidated) financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market*

*IFRS 8:22 requires entities to give a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining the aggregated operating segments share similar economic characteristics.*

*According to IFRS 8:12, two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics and the segments are similar in each of the following respects:*

- The nature of the products and services*
- The nature of the production processes*
- The type or class of customer for their products and services*
- The methods used to distribute their products or provide their services*
- If applicable, the nature of the regulatory environment, for example, banking, insurance or public utilities*

## IFRS 8:22

**Products and services from which reportable segments derive their revenues**

Information reported to the group's Chief Executive (the Chief Operating Decision Maker (CODM)) for the purposes of resource allocation and assessment of segment performance is focused on the category of customer for each type of activity. The principal categories of customer are direct sales to major customers, wholesalers and internet sales. The group's reportable segments under IFRS 8 are therefore as follows:

Source	International GAAP Holdings Limited
	<p>[Segment A] – Electronic equipment – direct sale customers</p>
	<p>[Segment B] – Electronic equipment – wholesale customers</p>
	<p>[Segment C] – Electronic equipment – internet customers</p>
	<p>[Segment D] – Leisure goods – wholesale customers</p>
	<p>[Segment E] – Leisure goods – retail outlets</p>
	<p>[Segment F] – Computer software – installation of computer software for specialised business applications</p>
	<p>[Segment G] – Construction – construction of residential properties</p>
	<p>The leisure goods segments supply sports shoes and equipment, as well as outdoor play equipment.</p>
IFRS 8:22(aa)	<p>The electronic equipment (direct sales) segment includes a number of direct sales operations in various cities within [A Land] each of which is considered as a separate operating segment by the CODM. For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:</p> <ul style="list-style-type: none"> <li>• These operating segments have similar long-term gross profit margins</li> <li>• The nature of the products and production processes are similar</li> <li>• The methods used to distribute the products to the customers are the same</li> <li>• [Other factors, please specify]</li> </ul>
IFRS 5:5B	<p>Two operations (the manufacture and sale of toys and bicycles) were discontinued in the current year. The segment information reported on the next pages does not include any amounts for these discontinued operations, which are described in more detail in note 13.</p> <p>Other operations include [identify other operations and their sources of revenue if any]</p>

Source	International GAAP Holdings Limited			
	<b>Segment revenues and profits</b>			
	<b>The following is an analysis of the group's revenue and results by reportable segment in 2023:</b>			
IFRS 8:23	Segment revenue	Segment revenue	Segment profit	Segment profit
IFRS 8:23(a)	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	CU	CU	CU	CU
	[Segment A] – Electronic equipment – direct sale customers			
	[Segment B] – Electronic equipment – wholesale customers			
	[Segment C] – Electronic equipment – internet customers			
	[Segment D] – Leisure goods – wholesale customers			
	[Segment E] – Leisure goods – retail outlets			
	[Segment F] – Computer software – installation of computer software for specialised business applications			
	[Segment G] – Construction – construction of residential properties			
	Other			
IFRS 8:28(a)	<b>Total</b>			
	Central administration costs			
	Share of profit of associates			
	Share of profit from joint ventures			
	Finance income			
	Other gains and losses			
	Finance costs			
IFRS 8:28(b)	<b>Profit before tax</b>			
	Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales in the current year (2022: nil).			

Source	International GAAP Holdings Limited																																																	
IFRS 8:27	The accounting policies of the reportable segments are the same as the group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of the share of profits of associates and joint ventures, central administration costs including directors' salaries, finance income, non-operating gains and losses in respect of financial instruments and finance costs, and income tax expense. This is the measure reported to the group's Chief Executive for the purpose of resource allocation and assessment of segment performance.																																																	
IFRS 8:23(f)	The exceptional rectification work costs of CU__ disclosed in note 7 relate to the <i>[identify segment]</i> .																																																	
IFRS 8:27	<p><b>Segment assets</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2023</th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> </tr> </thead> <tbody> <tr> <td><i>[Segment A]</i> – Electronic equipment – direct sale customers</td> <td></td> <td></td> </tr> <tr> <td><i>[Segment B]</i> – Electronic equipment – wholesale customers</td> <td></td> <td></td> </tr> <tr> <td><i>[Segment C]</i> – Electronic equipment – internet customers</td> <td></td> <td></td> </tr> <tr> <td><i>[Segment D]</i> – Leisure goods – wholesale customers</td> <td></td> <td></td> </tr> <tr> <td><i>[Segment E]</i> – Leisure goods – retail outlets</td> <td></td> <td></td> </tr> <tr> <td><i>[Segment F]</i> – Computer software – installation of computer software for specialised business applications</td> <td></td> <td></td> </tr> <tr> <td><i>[Segment G]</i> – Construction – construction of residential properties</td> <td></td> <td></td> </tr> <tr> <td>Other</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Total segment assets</td> <td></td> <td></td> </tr> <tr> <td>Assets relating to discontinued operations</td> <td></td> <td></td> </tr> <tr> <td>Unallocated assets</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>IFRS 8:28(c)</td> <td> <p><b>Consolidated total assets</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;"></th> <th style="text-align: center; border-bottom: 1px solid black;"></th> </tr> </thead> <tbody> <tr> <td></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> </tbody> </table> </td> </tr> <tr> <td>IFRS 8:27(c)</td> <td>For the purposes of monitoring segment performance and allocating resources between segments the group's Chief Executive monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments with the exception of investments in associates and joint ventures, other financial assets (except for trade and other receivables) (see note 31) and tax assets. Goodwill has been allocated to reportable segments as described in note 16. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.</td> </tr> </tbody> </table>		31/12/2023	31/12/2022		CU	CU	<i>[Segment A]</i> – Electronic equipment – direct sale customers			<i>[Segment B]</i> – Electronic equipment – wholesale customers			<i>[Segment C]</i> – Electronic equipment – internet customers			<i>[Segment D]</i> – Leisure goods – wholesale customers			<i>[Segment E]</i> – Leisure goods – retail outlets			<i>[Segment F]</i> – Computer software – installation of computer software for specialised business applications			<i>[Segment G]</i> – Construction – construction of residential properties			Other			Total segment assets			Assets relating to discontinued operations			Unallocated assets			IFRS 8:28(c)	<p><b>Consolidated total assets</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;"></th> <th style="text-align: center; border-bottom: 1px solid black;"></th> </tr> </thead> <tbody> <tr> <td></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> </tbody> </table>							IFRS 8:27(c)	For the purposes of monitoring segment performance and allocating resources between segments the group's Chief Executive monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments with the exception of investments in associates and joint ventures, other financial assets (except for trade and other receivables) (see note 31) and tax assets. Goodwill has been allocated to reportable segments as described in note 16. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.
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Source	International GAAP Holdings Limited			
	<b>Other segment information</b>			
IFRS 8:23(e) IFRS 8:24(b)	Depreciation and amortisation		Additions to non-current assets*	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	CU	CU	CU	CU
	<p>[Segment A] – Electronic equipment – direct sale customers</p> <p>[Segment B] – Electronic equipment – wholesale customers</p> <p>[Segment C] – Electronic equipment – internet customers</p> <p>[Segment D] – Leisure goods – wholesale customers</p> <p>[Segment E] – Leisure goods – retail outlets</p> <p>[Segment F] – Computer software – installation of computer software for specialised business applications</p> <p>[Segment G] – Construction – construction of residential properties</p> <p>Other</p>			
	<p>* The amounts exclude additions to financial instruments, deferred tax assets and net defined benefit assets.</p> <p>In addition to the depreciation and amortisation reported above, impairment losses of CU__ (2022: CU__) and CU__ (2022: CU__) were recognised in respect of property, plant and equipment, and goodwill, respectively. These impairment losses were attributable to the following reportable segments:</p>			
IFRS 8:23(h) IAS 36:129			31/12/2023	31/12/2022
			CU	CU
	<p>[Segment A] – Electronic equipment – direct sale customers</p> <p>[Segment E] – Leisure goods – retail outlets</p>			
IFRS 8:32	<b>Revenues from major products and services</b>			
	The group's revenues from its major products and services are disclosed in note 5.			

Source	International GAAP Holdings Limited
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### Geographical information

The group's revenue from external customers and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) by geographical location are detailed below:

IFRS 8:33(a)  
IFRS 8:33(b)

	Revenue from external customers		Non-current assets*		
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	1/1/2022
	CU	CU	CU	CU	CU
[A Land]					
[B Land]					
[C Land]					
[D Land]					
Other					

\* Non-current assets exclude those relating to discontinued operations and non-current assets held for sale.

IFRS 8:34

### Information about major customers


Included in revenues arising from [Segment A] are revenues of approximately CU\_\_ million (2022: CU\_\_ million) which arose from sales to the group's largest customer. No other single customers contributed 10 per cent or more to the group's revenue in either 2023 or 2022.

Source	International GAAP Holdings Limited		
IAS 1:104	<b>7. Profit for the year</b>		
	Profit for the year has been arrived at after charging/(crediting):		
		31/12/2023	31/12/2022
		CU	CU
IAS 21:52(a)	Net foreign exchange losses/(gains)		
IAS 38:126	Research and development costs		
IAS 20:20	Government grant for the purpose of immediate financial support		
IAS 20:39(b)	Government grants towards training costs		
	Amortisation of government grants towards purchase of property, plant and equipment		
IAS 1:104	Depreciation of property, plant and equipment		
IAS 36:126(a)	Impairment of property, plant and equipment		
IAS 1:97-98	Gain/(loss) on disposal of property, plant and equipment		
IFRS 16:53(a)	Depreciation of right-of-use assets		
IFRS 16:49			
IAS 38:118(d)	Amortisation of internally-generated intangible assets included in other expenses		
IAS 36:126(a)	Impairment of goodwill		
IAS 2:36(d)	Cost of inventories recognised as expense		
IAS 2:36(e)	Write downs of inventories recognised as an expense		
IAS 2:36(f)	Reversal of write downs of inventories recognised in the year		
IAS 1:104	Employee benefit expense (note 8)		
IFRS 7:20(a)(vi)	Loss allowance on trade receivables (note 31)		
IFRS 7:20(a)(vi)	Loss allowance on other financial assets measured at amortised cost (note 24)		
IFRS 7:20(a)(viii)	Loss allowance on debt investments measured at FVTOCI (note 43)		
	Loss allowance on amounts due from contract assets (note 27)		
		_____	_____
		_____	_____
	There was no loss allowance on financial guarantee contracts (note 38).		
IAS 1:97-98	Costs of CU__ have been recognised during the year in respect of rectification work to be carried out on goods supplied to one of the group's major customers, which have been included in <i>[specify caption]</i> .		
IAS 2:36(g)	<i>[Describe circumstances or events that led to any reversal of any write-down of inventories]</i>		
IAS 20:20	In 2023, government grants of CU__ were received as part of a government initiative to provide immediate financial support as a result of <i>[describe event that led to receipt of grants and the effect the grants have on the results]</i> . There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the year.		
IAS 20:39(b)	Government grants towards training costs and purchase of property, plant and equipment are described in note 59.		

Source	International GAAP Holdings Limited		
	In [month] 2023, the group disposed of [name of subsidiary] (see note 52). Certain of the non-core assets of the [____] division were retained by the group. In addition, the [____] operations of the [____] division were segregated from the manufacturing operations and retained by the group. The assets retained were scrapped, and an impairment loss recognised in respect of their previous carrying amount. To the extent that employees could not be redeployed, redundancy terms were agreed.		
IAS 1:97 IAS 1:98	The restructuring costs charged to profit or loss consist of an impairment loss recognised in respect of assets of CU__ and redundancy costs of CU__.		
	<b>8. Staff costs</b>		
		31/12/2023	31/12/2022
		CU	CU
	Post-employment benefits (note 58)		
IAS 19:53	Defined contribution plans		
IAS 19:135(b)	Defined benefit plans		
IFRS 2:50	Share-based payments (note 57)		
IFRS 2:51(a)	Equity-settled share-based payments		
IFRS 2:51(a)	Cash-settled share-based payments		
IAS 1:104	Termination benefits		
	Other employee benefits		
IAS 1:104	<b>Total employee benefit expense</b>		
	<b>9. Finance income</b>		
		31/12/2023	31/12/2022
		CU	CU
IFRS 7:20(b)	Interest income:		
	Financial instruments measured at amortised cost:		
	Bank deposits		
	Other financial assets measured at amortised cost (see note 24)		
	Investment in debt instruments measured at FVTOCI (see note 24)		

Source	International GAAP Holdings Limited		
	Other:		
IFRS 7:B5(e) IFRS 7:11A(d)	Dividends received from equity investments designated as at FVTOCI (see note 24):		
	Relating to investments derecognised during the year		
	Relating to investments held at the end of the reporting period		
	<b>Total finance income</b>		
	<b>10. Other gains and losses</b>		
		31/12/2023	31/12/2022
		CU	CU
IFRS 7:20(a)(i)	Net gain/(loss) arising on financial liabilities designated as at FVTPL (i)		
IFRS 7:20(a)(i)	Net gain/(loss) arising on financial assets mandatorily measured at FVTPL (ii)		
IFRS 7:20(a)(i)	Net gain/(loss) arising on financial liabilities mandatorily measured at FVTPL (iii)		
IFRS 7:20(a)(viii)	Reclassification of net gain/(loss) on debt investments classified as at FVTOCI from equity to profit or loss upon disposal		
IFRS 7:20(a)(v)	Net gain/(loss) arising on derecognition of financial liabilities measured at amortised cost		
IFRS 7:20(a)(v) IFRS 7:20A	Net gain/(loss) arising on modification of financial instruments measured at amortised cost that were not derecognised		
IAS 40:76(d)	Gain/(loss) on remeasurement of investment property		
IFRS 7:24A(c) IFRS 7:24C(b)(ii)	Hedge ineffectiveness on cash flow hedges		
IFRS 7:24A(c) IFRS 7:24C(b)(ii)	Hedge ineffectiveness on net investment hedges		
IFRIC 19:11	(Gain)/loss on debt for equity swap		
	Net foreign exchange gain/(loss)		
	(i) The net loss on the redeemable preference shares designated as at FVTPL includes a gain of CU__ resulting from the decrease in fair value of the liabilities other than changes in the fair value of the liabilities attributable to the liabilities' credit risk, offset by dividends of CU__ paid during the year (note 11).		
	(ii) The amount represents a net gain on investments in listed equity shares (see note 24) and comprises an increase in fair value of CU__ (2022: CU__), including dividends of CU__ received during the year (2022: CU__).		
	(iii) The amount represents a net loss arising on an interest rate swap that economically hedges the fair value of the redeemable cumulative preference shares, but for which hedge accounting is not applied (see note 34). The net loss on the interest rate swap comprises an increase in fair value of CU__ of the swap, including interest of CU__ paid during the year.		

Source	International GAAP Holdings Limited		
IAS 1:97	<p>The (gain)/loss arising on adjustment for the hedged item in a designated fair value hedge accounting relationship relates to the fixed rate bank loan, details of which are disclosed in note 32. This (gain)/loss forms part of the net gains or net losses on other financial liabilities carried at amortised cost.</p> <p>During the year the group extinguished some of its borrowings by issuing equity instruments. In accordance with IFRIC 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>, the (gain)/loss recognised on these transactions was CU__ (2022: CU__).</p> <p>The foreign exchange gains/losses arose on the unhedged monetary items denominated in foreign currencies. The amount predominantly consists of retranslation of bank loans of CU__ (2022: CU__).</p>		
	<b>11. Finance costs</b>		
		31/12/2023	31/12/2022
		CU	CU
	Interest on bank overdrafts and loans		
	Interest on convertible loan notes		
IFRS 16:49 IFRS 16:53(b)	Interest on lease liabilities		
IFRS 7:20(b)	Total interest expense for financial liabilities not classified as at FVTPL		
IAS 23:26(a)	Less: amounts included in the cost of qualifying assets		
IFRS 7.24C(a)(ii) IFRS 9:6.5.8(a)	Loss/(gain) arising on derivatives as designated hedging instruments in fair value hedges		
IFRS 9:6.5.8(b)	(Gain)/loss arising on adjustment for the hedged item attributable to the hedged risk in a designated fair value hedge accounting relationship		
IFRS 7:24C(b)(iv) IFRS 9:6.5.11(d) (ii)	(Gain)/loss arising on interest rate swaps as designated hedging instruments in cash flow hedges of floating rate debt reclassified from equity to profit or loss		
IFRS 7:24C(b)(iv) IFRS 9:6.5.12(b)	(Gain)/loss arising on forward foreign exchange contracts designated as hedging instruments in cash flow hedges of forecast transactions that are no longer expected to occur reclassified from equity to profit or loss		
	Unwinding of discount on provisions		
IAS 19:134	Net interest expense on defined benefit obligation		
	Other finance costs		
IAS 23:26(b)	Borrowing costs included in the cost of qualifying assets during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of __ per cent (2022: __ per cent) to expenditure on such assets.		

Source	International GAAP Holdings Limited		
	<b>12. Income tax</b>		
		31/12/2023	31/12/2022
		CU	CU
IAS 12:79-80	Corporation income tax:		
	Current year		
	Adjustments in respect of prior years		
IAS 12:79-80	Deferred tax (see note 35)		
	Origination and reversal of temporary differences		
	Effect of changes in tax rates		
	Write-down of previously recognised deferred tax assets		
	Other [ <i>describe</i> ]		
	The standard rate of corporation tax applied to reported profit is __ per cent (2022: __ per cent).		
IAS 12:85	<b>Commentary:</b> <i>The applicable rate used in the tax reconciliation should provide the most meaningful information to users of the financial statements. When profits are earned across a number of jurisdictions default to the tax rate in the country of domicile may not provide the most meaningful information. It may be more appropriate to use a weighted average applicable rate for the year, reflecting the applicable rates for the countries in which the group earned profits.</i>		
IAS 12:81(d)	The applicable rate has changed following [ <i>describe the impact of any changes in the tax authorities' tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period</i> ]. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.		
IAS 12:81(h)	No tax charge or credit arose on the disposal of [ <i>name of subsidiary</i> ].		
IAS 12:82A	The group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes..		
IAS 12:88C-88D	On [ <i>date</i> ] 2023, the government of [ <i>A Land</i> ], where the parent company is incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the parent company will be required to pay, in [ <i>A Land</i> ], top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent. The main jurisdictions in which exposures to this tax may exist include [ <i>C Land</i> ] and [ <i>D Land</i> ]. As at 31 December 2023, approximately __ per cent of the group's annual profits may be subject to the tax which are currently taxed at the average effective tax rate applicable to those profits of __ per cent. This information is based on the profits and tax expense determined as part of the preparation of the group's consolidated financial statements, considering only certain adjustments that would have been required applying the legislation, namely [ <i>explain which adjustments were made</i> ]. Because not all of the adjustments that would have been by required by the legislation were made, the actual impact that the Pillar Two income taxes legislation would have had on the Group's results if it had been in effect for the year ending 31 December 2023 may have been significantly different.  The group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.		


Source	International GAAP Holdings Limited	
IAS 12:81(c)	The charge for the year can be reconciled to the profit before tax as follows:	
	31/12/2023	31/12/2022
	CU	CU
	Profit before tax on continuing operations	
	Tax at the [A Land] corporation tax rate of __ per cent (2022: __ per cent)	
	Tax effect of share of results of associates	
	Tax effect of expenses that are not deductible in determining taxable profit	
	Tax effect of income not taxable in determining taxable profit	
	Tax effect of utilisation of tax losses not previously recognised	
	Change in unrecognised deferred tax assets	
	Effect of different tax rates of subsidiaries operating in other jurisdictions	
	_____	_____
	<b>Tax expense for the year</b>	_____
	_____	_____
IAS 12:84	<p><b>Commentary:</b></p> <p><i>The reconciliation should enable users of financial statements to understand whether the relationship between tax expense (income) and accounting profit is unusual and to understand the significant factors that could affect that relationship in the future. Distinguishing between recurring and non-recurring items may assist with this. It is also informative to state the effective tax rate. The relationship between tax expense (income) and accounting profit may be affected by such factors as revenue that is exempt from taxation, expenses that are not deductible in determining taxable profit (tax loss), the effect of tax losses and the effect of foreign tax rates and it is useful to explain these items.</i></p>	



Source	International GAAP Holdings Limited		
IAS 12:81(ab)	In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised in other comprehensive income:		
		31/12/2023	31/12/2022
		CU	CU
	<b>Current tax</b>		
	<i>[describe items and split between those items that will not be reclassified subsequently to profit or loss and those items that may be reclassified subsequently to profit or loss]</i>		
	<b>Deferred tax</b>		
	<b>Items that will not be reclassified subsequently to profit or loss:</b>		
	Gains/(losses) on property revaluation		
	Remeasurement of net defined benefit liability		
	Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI		
	Fair value gain/(loss) on financial liabilities designated as at FVTPL attributable to changes in credit risk		
	<b>Items that may be reclassified subsequently to profit or loss:</b>		
	<u>Debt instruments measured at FVTOCI:</u>		
	Fair value gain/(loss) on investments in debt instruments measured at FVTOCI		
	Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal		
	Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon reclassification from FVTOCI to FVTPL		
	<u>Cash flow hedges:</u>		
	Fair value gain/(loss) arising on hedging instruments during the period		
	Less: Cumulative (gain)/loss arising on hedging instruments reclassified to profit or loss		
	<u>Cost of hedging:</u>		
	Changes in the fair value during the period in relation to transaction related hedged items		
	Changes in the fair value during the period in relation to time-period related hedged items		
	Less: Cumulative (gain)/loss arising on changes in the fair value in relation to transaction-related hedged items reclassified to profit or loss		
	Less: Amortisation to profit or loss of cumulative (gain)/loss arising on changes in the fair value in relation to time-period related hedged item		
	Exchange differences on translation of foreign operations		
	Gains/(losses) on net investment hedge		
IAS 12:81(a)	<b>Total income tax recognised in other comprehensive income</b>		

Source	International GAAP Holdings Limited		
IAS 12:81(a)	In addition to the amount charged to profit or loss and other comprehensive income, the following amounts relating to tax have been recognised directly in equity:		
		31/12/2023	31/12/2022
		CU	CU
	<b>Current tax</b>		
	Excess tax deductions related to share-based payments on exercised options		
	<b>Deferred tax</b>		
	Initial recognition of the equity component on issue of convertible loan notes		
	Change in estimated excess tax deductions related to share-based payments		
	<b>Total income tax recognised directly in equity</b>		

Source	International GAAP Holdings Limited		
IFRS 5:30 - 32	<b>13. Discontinued operations</b>		
	On <i>[date]</i> 2023, the group entered into a sale agreement to dispose of <i>[name of subsidiary]</i> , which carried out all of the group's <i>[___]</i> operations. The disposal was effected in order to generate cash flows for the expansion of the group's other businesses. The disposal was completed on <i>[date]</i> 2023, on which date control of <i>[name of subsidiary]</i> passed to the acquirer. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed in note 52.		
IFRS 5:33(b) IFRS 5:34	The results of the discontinued operations, which have been included in the profit for the year, were as follows:		
		Period ended <i>[date]</i> 2023	Year ended 31/12/2022
		CU	CU
IFRS 5:33(b)(i)	Revenue		
IFRS 5:33(b)(i)	Expenses		
IFRS 5:33(b)(i)	Profit before tax		
IFRS 5:33(b)(ii) IAS 12:81(h)	Attributable tax expense		
IFRS 5:33(b)(iii)	Loss on disposal of discontinued operations		
IFRS 5:33(b)(iv) IAS 12:81(h)	Attributable tax expense		
IFRS 5:33(d)	Net loss attributable to discontinued operations (attributable to owners of the parent company)		
	<b>Cash flows from discontinued operations</b>		
		31/12/2023	31/12/2022
		CU	CU
	Net cash from operating activities		
	Net cash inflow/(outflow) from investing activities		
	Net cash inflow/(outflow) from financing activities		
	A loss of CU__ million arose on the disposal of <i>[name of subsidiary]</i> , being the difference between the proceeds of disposal and the carrying amount of the subsidiary's net assets and attributable goodwill.		
IFRS 5:33(c)	In addition, on <i>[date]</i> the board resolved to dispose of the group's <i>[specify]</i> operations and negotiations with several interested parties have subsequently taken place. The disposal is consistent with the group's long-term policy to focus its activities on the group's other businesses. These operations, which are expected to be sold within 12 months, have been classified as a disposal group held for sale and presented separately in the statement of financial position. The proceeds of disposal are expected to substantially exceed the carrying amount of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as held for sale. The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:		
IFRS 5:41 IFRS 5:38			

Source	International GAAP Holdings Limited		
		31/12/2023	
		CU	
	Goodwill		
	Property, plant and equipment		
	Inventories		
	Trade and other receivables		
	Cash and bank balances		
	<b>Total assets classified as held for sale</b>		
	Trade and other payables		
	Tax liabilities		
	Bank overdrafts and loans		
	Total liabilities associated with assets classified as held for sale		
	<b>Net assets of disposal group</b>		
	<b>14. Dividends</b>		
		31/12/2023	31/12/2022
		CU	CU
	Amounts recognised as distributions to equity holders in the year:		
	Final dividend for the year ended 31 December 2022 of CU__ (2021: CU__) per share		
	Interim dividend for the year ended 31 December 2023 of CU__ (2021: CU__) per share		
IAS 1:107	Proposed final dividend for the year ended 31 December 2023 of CU__ (2022: CU__) per share		
IAS 1:137(a) IAS 10:13	The proposed final dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable to all shareholders on the register of members on <i>[insert date]</i> . The total estimated dividend to be paid is CU__ per share. The payment of this dividend will not have any tax consequences for the group.		
	Under an arrangement dated <i>[date]</i> , <i>[name]</i> who holds <i>[number]</i> ordinary shares representing __ per cent of the parent company's called up share capital, has agreed to waive all dividends due to <i>[him/her]</i> for a period of <i>[specify]</i> .		
	 Australian entities are required to provide additional information about franking credits. See Note 14 in Appendix 2 for an illustrative example.		

Source	International GAAP Holdings Limited					
IAS 33:2-3	<b>15. Earnings per share</b>					
	<p><b>Commentary:</b></p> <p><i>IAS 33 Earnings per Share requires that earnings per share (EPS) information be presented in the consolidated financial statements of a group with a parent (and in the separate or individual financial statements of an entity):</i></p> <ul style="list-style-type: none"> <li>• <i>Whose ordinary shares or potential ordinary shares are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local or regional markets) or</i></li> <li>• <i>That files, or is in the process of filing, its (consolidated) financial statements with a securities commission or other regulatory organisation for the purpose of issuing ordinary shares in a public market</i></li> </ul> <p><i>If other entities choose to disclose EPS information voluntarily in their financial statements that comply with IFRS Accounting Standards, the disclosures in relation to the EPS information should comply fully with the requirements set out in IAS 33.</i></p>					
	<b>From continuing and discontinued operations</b>					
	The calculation of the basic and diluted earnings per share is based on the following data:					
		<table border="1"> <thead> <tr> <th data-bbox="1098 813 1313 857">31/12/2023</th> <th data-bbox="1313 813 1495 857">31/12/2022</th> </tr> </thead> <tbody> <tr> <td data-bbox="1098 869 1313 913">CU</td> <td data-bbox="1313 869 1495 913">CU</td> </tr> </tbody> </table>	31/12/2023	31/12/2022	CU	CU
31/12/2023	31/12/2022					
CU	CU					
IAS 33:70(a)	<b>Earnings</b>					
	Earnings for the purposes of basic earnings per share being net profit attributable to owners of the parent company					
	Effect of dilutive potential ordinary shares:					
	Interest on convertible loan notes (net of tax)					
	Earnings for the purposes of diluted earnings per share					
		<table border="1"> <thead> <tr> <th data-bbox="1098 1283 1313 1373">31/12/2023</th> <th data-bbox="1313 1283 1495 1373">31/12/2022</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> </tbody> </table>	31/12/2023	31/12/2022		
31/12/2023	31/12/2022					
	<b>Number of shares</b>					
IAS 33:70(b)	Weighted average number of ordinary shares for the purposes of basic earnings per share					
IAS 33:70(c)	Effect of dilutive potential ordinary shares					
	Share options					
	Convertible loan notes					
	Weighted average number of ordinary shares for the purposes of diluted earnings per share					
	The denominator for the purposes of calculating both basic and diluted earnings per share has been adjusted to reflect the capitalisation issue in 2023.					

Source	International GAAP Holdings Limited	
IAS 33 :70(c)	<p>The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.</p>	
	31/12/2023	31/12/2022
	<b>Number of shares</b>	
	[Describe]	
	<b>From continuing operations</b>	
	31/12/2023	31/12/2022
	CU	CU
IAS 33:70(a)	<b>Earnings</b>	
	Net profit attributable to equity holders of the parent	
	Adjustments to exclude loss for the year from discontinued operations	
	Earnings from continuing operations for the purpose of basic earnings per share excluding discontinued operations	
	Effect of dilutive potential ordinary shares:	
	Interest on convertible loan notes (net of tax)	
	Earnings from continuing operations for the purpose of diluted earnings per share excluding discontinued operations	
	The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.	
IAS 33:68 IAS 33:69	<b>From discontinued operations</b>	
	31/12/2023	31/12/2022
	CU	CU
	Basic	
	Diluted	

Source	International GAAP Holdings Limited					
IAS 8:28(f)(ii)	<b>Impact of changes in accounting policy (see note 2)</b>					
	Impact on profit for the year from continuing operations		Impact on basic earnings per share		Impact on diluted earnings per share	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	CU	CU	CU	CU	CU	CU
	Changes in accounting policies relating to:					
	<i>[Specify relevant changes in accounting policy]</i>					
	_____		_____		_____	
	_____		_____		_____	
IAS 8:49(b)(ii)	<b>Impact of prior year errors (see note 2)</b>					
	Impact on profit for the year from continuing operations		Impact on basic earnings per share		Impact on diluted earnings per share	
	31/12/2022		31/12/2022		31/12/2022	
	CU		CU		CU	
	Changes relating to prior period errors:					
	<i>[Specify relevant prior period error]</i>					
	_____		_____		_____	
	_____		_____		_____	

Source	International GAAP Holdings Limited	
	<b>16. Goodwill</b>	
		CU
	<b>Cost</b>	
	At 1 January 2022	
	Exchange differences	
	Recognised on acquisition of a subsidiary	
	Derecognised on disposal of a subsidiary	
	Classified as held for sale	
	Other changes	
IFRS 3:B67(d)	At 31 December 2022	
	Exchange differences	
	Recognised on acquisition of a subsidiary	
	Derecognised on disposal of a subsidiary	
	Classified as held for sale	
	Other changes	
IFRS 3:B67(d)	<b>At 31 December 2023</b>	
	<b>Accumulated impairment losses</b>	
	At 1 January 2022	
	Exchange differences	
IAS 36:126	Impairment losses for the year	
	Eliminated on disposal of a subsidiary	
IFRS 3:B67(d)	At 31 December 2022	
	Exchange differences	
IAS 36:126	Impairment losses for the year	
	Eliminated on disposal of a subsidiary	
IFRS 3:B67(d)	<b>At 31 December 2023</b>	
IFRS 3:B67(d)	<b>Carrying amount</b>	
	At 31 December 2023	
	At 31 December 2022	
	At 1 January 2022	



**Source International GAAP Holdings Limited**

IAS 36:134-135

The carrying amount of goodwill has been allocated to CGUs as follows:

	31/12/2023	31/12/2022
	CU	CU
[Segment C] – Electronic equipment – internet sales		
[Segment E] – Leisure goods – retail outlets		
[Segment G] – Construction – Alpha Construction		
[Segment G] – Construction – other		



The group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

**Electronic equipment – internet sales**

The recoverable amount of the ‘electronic equipment – internet sales’ segment as a cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period and a pre-tax discount rate of \_\_ per cent per annum (2022: \_\_ per cent per annum) calculated by *[describe method used to determine the discount rate]*.

The key assumptions used by management in setting the financial budgets for the initial five-year period were as follows:

*Forecast sales growth rates*

Forecast sales growth rates are based on past experience adjusted for *[discuss reasons for adjusting the historic measures, for example, sales/market trends and the strategic decisions made in respect of the cash-generating unit]*.

*Operating profits*

Operating profits are forecast based on historical experience of operating margins, adjusted for the impact of *[describe reasons for adjusting the historical measures, for example, changes to product costs and cost saving initiatives]*.

*Cash conversion*

Cash conversion is the ratio of operating cash flows to operating profit. Management forecasts cash conversion rates based on historical experience.

Cash flows beyond that five-year period have been extrapolated using a steady \_\_ per cent (2022: \_\_ per cent) per annum growth rate. This growth rate exceeds by \_\_ percentage points the long-term average growth rate for the international electronic equipment market. However, among other factors, the internet sales cash-generating unit benefits from the protection of a 20-year patent on the Series Z electronic equipment, granted in 2017, which is still acknowledged as one of the top models in the market.

## Source

## International GAAP Holdings Limited

The steady growth rate of \_\_ per cent is estimated by the directors of the parent company based on past performance of the cash-generating unit and their expectations of market development. The directors estimate that a decrease in growth rate by \_\_ per cent to \_\_ per cent would reduce the headroom in the cash-generating unit to nil but would not result in an impairment charge.

### Leisure goods – retail outlets

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a pre-tax discount rate of \_\_ per cent per annum (2022: \_\_ per cent per annum) calculated by *[describe method used to determine the discount rate]*.

The key assumptions used by management in setting the financial budgets for the initial five-year period were as follows:

#### *Forecast sales growth rates*

Forecast sales growth rates are based on past experience adjusted for *[discuss reasons for adjusting the historic measures, for example, sales/market trends and the strategic decisions made in respect of the cash-generating unit]*.

#### *Operating profits*

Operating profits are forecast based on historical experience of operating margins, adjusted for the impact of *[describe reasons for adjusting the historical measures, for example, changes to product costs and cost saving initiatives]*.

#### *Cash conversion*

Cash conversion is the ratio of operating cash flows to operating profit. Management forecasts cash conversion rates based on historical experience.

Cash flow projections during the budget period are based on the same expected gross margins and inventory price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady \_\_ per cent (2022: \_\_ per cent) per annum growth rate which is the projected long-term average growth rate for the international leisure goods market.

### Construction operations – Alpha Construction

The goodwill associated with Alpha Construction arose when that business was acquired by the group in 2015. The business has continued to operate on a satisfactory basis, but without achieving any significant increase in market share.


During the year, the government of *[A Land]* introduced new regulations requiring registration and certification of builders for government contracts. In the light of the decision to focus the group's construction activities through the other operating units in Subsidiary C Limited, the directors have decided not to register Alpha Construction for this purpose, which means that it has no prospects of obtaining future contracts. The directors have consequently determined to write off the goodwill directly related to Alpha Construction amounting to CU\_\_\_. No other write-down of the assets of Alpha Construction is considered necessary. Contracts in progress at the end of the year will be completed without loss to the group. The recoverable amount of the Alpha Construction cash-generating unit amounted to CU\_\_ as at 31 December 2023.

The impairment loss has been included in profit or loss in the *[other expenses/cost of sales]* line item.

### Construction operations – other

The recoverable amount of the group's remaining construction operations has been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a pre-tax discount rate of \_\_ per cent per annum (2022: \_\_ per cent per annum) calculated by *[describe method used to determine the discount rate]*.

Source	International GAAP Holdings Limited
	<p>The key assumptions used by management in setting the financial budgets for the initial five-year period were as follows:</p> <p><i>Forecast sales growth rates</i></p> <p>Forecast sales growth rates are based on past experience adjusted for [discuss reasons for adjusting the historic measures, for example, sales/market trends and the strategic decisions made in respect of the cash-generating unit].</p> <p><i>Operating profits</i></p> <p>Operating profits are forecast based on historical experience of operating margins, adjusted for the impact of [describe reasons for adjusting the historical measures, for example, changes to product costs and cost saving initiatives].</p> <p><i>Cash conversion</i></p> <p>Cash conversion is the ratio of operating cash flows to operating profit. Management forecasts cash conversion rates based on historical experience.</p> <p>Cash flows beyond that five-year period have been extrapolated using a steady ___ per cent (2022: ___ per cent) per annum growth rate. This growth rate does not exceed the long-term average growth rate for the construction market in [A Land].</p> <p><b>Sensitivity analysis</b></p> <p>The group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of CGUs to which goodwill is allocated. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount of 'Electronic equipment – internet sales' and 'Construction – other' is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.</p> <p>At the beginning of the financial year the recoverable amount of 'Leisure goods – retail outlets' was substantially in excess of its carrying amount. Due to current market conditions at the year-end, as discussed in note 4, the recoverable amount exceeds the carrying amount by CU__.</p> <p>A ___ per cent underperformance against forecast sales growth rates for 'Leisure goods – retail outlets' is considered reasonably possible based on recent experience and would lead to an impairment charge of CU__.</p> <p>A ___ per cent underperformance against forecast sales growth rates would reduce the headroom in 'Leisure goods – retail outlets' to nil but would not result in an impairment charge.</p>

Source	International GAAP Holdings Limited		
	<b>17. Other intangible assets</b>		
	Capitalised development costs	Patents and trademarks	Total
	CU	CU	CU
IAS 38:118(c) IAS 38:118(e)	<b>Cost</b>		
	At 1 January 2022		
	Exchange differences		
	Additions from internal development		
	At 31 December 2022		
	Exchange differences		
	Additions from internal development		
	Additions from separate acquisitions		
	Acquired on acquisition of a subsidiary		
	<b>At 31 December 2023</b>		
IAS 38:118(c) IAS 38:118(e)	<b>Amortisation</b>		
	At 1 January 2022		
	Exchange differences		
	Charge for the year		
	At 31 December 2022		
	Exchange differences		
	Charge for the year		
	<b>At 31 December 2023</b>		
	<b>Carrying amount</b>		
	At 31 December 2023		
	At 31 December 2022		
	At 1 January 2022		
	The amortisation period for development costs incurred on the group's <i>[specify]</i> development is <i>[number]</i> years.		
	Patents and trademarks are amortised over their estimated useful lives, which is on average <i>[number]</i> years.		
IAS 38:122(b)	The group holds a patent for the manufacture of its Z Series Electronic Equipment. The carrying amount of the patent of CU__ million (2022: CU__ million) will be fully amortised in __ years (2022: __ years).		

Source	International GAAP Holdings Limited			
	<b>18. Property, plant and equipment</b>			
	Land and buildings	Plant and machinery	Fixtures and fittings	Total
	CU	CU	CU	CU
	<b>Cost or valuation</b>			
	At 1 January 2022			
	Additions			
	Acquisition of subsidiary			
	Exchange differences			
	Disposals			
	Revaluation increase			
IAS 16:73(d)-(e)				
	At 31 December 2022			
	Additions			
	Acquisition of subsidiary			
	Exchange differences			
	Reclassified as held for sale			
	Revaluation increase			
	Transferred to investment property			
IAS 16:73(d)-(e)				
	<b>At 31 December 2023</b>			
	<b>Comprising:</b>			
	At cost			
	At valuation 2023			

Source	International GAAP Holdings Limited	Land and buildings	Plant and machinery	Fixtures and fittings	Total
		CU	CU	CU	CU
	<b>Accumulated depreciation and impairment</b>				
	At 1 January 2022				
	Charge for the year				
	Impairment loss				
	Exchange differences				
	Eliminated on disposals				
	Eliminated on revaluation				
IAS 16:73(d)-(e)	At 31 December 2022				
	Charge for the year				
IAS 36:126	Impairment loss				
	Exchange differences				
	On assets reclassified as held for sale				
	Eliminated on revaluation				
	Transferred to investment property				
IAS 16:73(d)-(e)	<b>At 31 December 2023</b>				
	<b>Carrying amount</b>				
	At 31 December 2023				
	At 31 December 2022				
	At 1 January 2022				
	<b>Commentary:</b>				
	<i>Although not illustrated in these illustrative financial statements, for items of property, plant and equipment which are subject to an operating lease, a lessor should apply the disclosure requirements of IAS 16.</i>				
	<i>For this purpose, each class of property, plant and equipment should be segregated into assets subject to operating leases and assets not subject to operating leases (i.e. the disclosures required by IAS 16 should be provided separately for assets subject to an operating lease (by class of underlying asset) and owned assets held and used by the lessor.</i>				
IFRS 16:95	<b>Fair value measurement of the group's freehold land and buildings</b>				
	The group's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the group's freehold land and buildings as at 31 December 2023 and 31 December 2022 were performed by [name of valuers], independent valuers not related to the group. [Name of valuers] are members of the Institute of Valuers of [A Land], and they have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.				
	The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties/other methods [describe].				
	The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence/other methods [describe]. [Describe the valuation techniques and the inputs used in determining the fair value]				
	There has been no change to the valuation technique during the year.				



**Source International GAAP Holdings Limited**

IFRS 13:93(a)-(b)

Details of the group’s freehold land and buildings and information about the fair value hierarchy as at the end of the reporting period are as follows:


	Level 2	Level 3	Fair value as at 31/12/2023
	CU	CU	CU
A manufacturing plant in [A Land] contains:			
Freehold land			
Buildings			
	Level 2	Level 3	Fair value as at 31/12/2022
	CU	CU	CU
A manufacturing plant in [A Land] contains:			
Freehold land			
Buildings			

**Commentary:**  
*The categorisation of fair value measurements into the different levels of the fair value hierarchy depends on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement. The above categorisations are for illustrative purpose only. It is worth noting the following points:*


- The classification into the 3-level hierarchy is not an accounting policy choice. For land and buildings, given their unique nature, it is extremely rare that the fair value measurement would be identified as a Level 1 measurement. Whether the fair value measurement in its entirety should be classified into Level 2 or Level 3 would depend on the extent to which the inputs and assumptions used in arriving at the fair value are observable. In many situations where valuation techniques (with significant unobservable inputs) are used in estimating the fair value of the real estate properties, the fair value measurement as a whole would be classified as Level 3.*
- The level within which the fair value measurement is categorised bears no relation to the quality of the valuation. For example, the fact that a real estate property is classified as a Level 3 fair value measurement does not mean that the property valuation is not reliable – it merely indicates that significant unobservable inputs have been used and significant judgement was required in arriving at the fair value.*

**Commentary:**  
*Where there had been a transfer between different levels of the fair value hierarchy, the group should disclose the reasons for the transfer and the group’s policy for determining when transfers between levels are deemed to have occurred (for example, at the beginning or end of the reporting period or at the date of the event that caused the transfer).*

IFRS 13:95

Source	International GAAP Holdings Limited												
IAS 16:77(e)	<p>Had the group's freehold land and buildings (other than land and buildings classified as held for sale or included in a disposal group) been measured on a historical cost basis, their carrying amount would have been as follows:</p> <table border="1" data-bbox="909 392 1503 694"> <thead> <tr> <th></th> <th style="text-align: center;">As at 31/12/2023</th> <th style="text-align: center;">As at 31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> </tr> </thead> <tbody> <tr> <td>Freehold land</td> <td></td> <td></td> </tr> <tr> <td>Buildings</td> <td></td> <td></td> </tr> </tbody> </table> <p>The revaluation surplus is disclosed in note 43. The revaluation surplus arises in a subsidiary and cannot be distributed to the parent due to legal restrictions in the country of incorporation.</p> <p>At 31 December 2023, the group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to CU__ million (2022: CU__ million).</p>		As at 31/12/2023	As at 31/12/2022		CU	CU	Freehold land			Buildings		
	As at 31/12/2023	As at 31/12/2022											
	CU	CU											
Freehold land													
Buildings													
	<p><b>Impairment losses recognised in the year</b></p> <p>During the year, as the result of the unexpected poor performance of a manufacturing plant, the group carried out a review of the recoverable amount of that manufacturing plant and the related equipment. The poor performance of the plant can be attributed to <i>[insert description of reasons for poor performance, for example, this could include whether the impairment loss was prompted by external data or changes in the parent company's own estimates]</i>.</p> <p>These assets are used in the group's <i>[name segment]</i> reportable segment. The review led to the recognition of an impairment loss of CU__, which has been recognised in profit or loss. The group also estimated the fair value less costs of disposal of the manufacturing plant and the related equipment, which is based on the recent market prices of assets with similar age and obsolescence. The fair value less costs of disposal is less than the value in use and hence the recoverable amount of the relevant assets has been determined on the basis of their value in use. The manufacturing plant and the related equipment were impaired to their recoverable amount based on value in use of CU__, which is their carrying value at year end.</p>												
IAS 36:130(a)-(g)	<p>The discount rate used in measuring value in use was __ per cent per annum. No impairment assessment was performed in 2022 as there was no indication of impairment.</p>												
IAS 36:131	<p>Additional impairment losses recognised in respect of plant and machinery in the year amounted to CU__ million. These losses are attributable to greater than anticipated wear and tear. Those assets have been impaired in full and they belong to the group's <i>[name segment]</i> reportable segment.</p>												
IAS 36:126(a)	<p>The impairment losses have been included in the profit and loss in the <i>[other expenses/cost of sales]</i> line item.</p> <p>The impairment loss on fixtures and equipment arose in connection with the restructuring following the disposal of <i>[specify/provide cross-reference]</i>.</p>												
IAS 16:74(a)	<p><b>Assets pledged as security</b></p> <p>Freehold land and buildings with a carrying amount of CU__ million (2022: CU__ million) have been pledged to secure borrowings of the group (see note 32). The group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.</p>												



Source	International GAAP Holdings Limited																												
IFRS 16:96	<p><b>19. Investment property</b></p> <p style="text-align: right;">CU</p> <p><b>Fair value</b></p> <p>At 1 January 2022</p> <p>Additions</p> <p>Exchange differences</p> <p>Disposals</p> <p>Increase in fair value during the year</p> <hr/>																												
IAS 40:76	<p>At 31 December 2022</p> <p>Additions</p> <p>Exchange differences</p> <p>Disposals</p> <p>Increase in fair value during the year</p> <p>Transferred from property, plant and equipment</p> <hr/>																												
IAS 40:76	<p><b>At 31 December 2023</b></p> <hr/>																												
	<p>The fair value of the group's investment property at 31 December 2023 has been arrived at on the basis of a valuation carried out at that date by <i>[name of valuers]</i>, independent valuers not connected with the group. The valuation conforms to International Valuation Standards. The fair value was determined <i>[based on the market comparable approach that reflects recent transaction prices for similar properties/other methods [describe]]</i>.</p>																												
IAS 40:75(e)																													
IFRS 13:91(a)	In estimating the fair value of the properties, the highest and best use of the properties is their current use.																												
IFRS 13:93(d)	<i>[Describe the valuation technique and inputs used in the fair value measurement]</i> .																												
	There has been no change to the valuation technique during the year.																												
IFRS 13:93(b)	Details of the group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:																												
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 15%; text-align: center; border-bottom: 1px solid black;">Level 2</th> <th style="width: 15%; text-align: center; border-bottom: 1px solid black;">Level 3</th> <th style="width: 10%; text-align: center; border-bottom: 1px solid black;">Fair value as at 31/12/2023</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> </tr> </thead> <tbody> <tr> <td>Commercial units located in <i>[A Land]</i> – <i>[B City]</i></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Office units located in <i>[A Land]</i> – <i>[C City]</i></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Residential units located in <i>[A Land]</i> – <i>[D City]</i></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td></td> <td style="border-top: 3px double black;"></td> <td style="border-top: 3px double black;"></td> <td style="border-top: 3px double black;"></td> </tr> </tbody> </table>		Level 2	Level 3	Fair value as at 31/12/2023		CU	CU	CU	Commercial units located in <i>[A Land]</i> – <i>[B City]</i>				Office units located in <i>[A Land]</i> – <i>[C City]</i>				Residential units located in <i>[A Land]</i> – <i>[D City]</i>											
	Level 2	Level 3	Fair value as at 31/12/2023																										
	CU	CU	CU																										
Commercial units located in <i>[A Land]</i> – <i>[B City]</i>																													
Office units located in <i>[A Land]</i> – <i>[C City]</i>																													
Residential units located in <i>[A Land]</i> – <i>[D City]</i>																													

Source	International GAAP Holdings Limited			
		Level 2	Level 3	Fair value as at 31/12/2022
		CU	CU	CU
	Commercial units located in [A Land] – [B City]			
	Office units located in [A Land] – [C City]			
	Residential units located in [A Land] – [D City]			
IFRS 13:93(c)	<p><b>Commentary:</b></p> <p>Where there had been a transfer between the different levels of the fair value hierarchy, the group should disclose the reasons for the transfer and the group's policy for determining when transfers between levels are deemed to have occurred (for example, at the beginning or end of the reporting period or at the date of the event that caused the transfer).</p> <p>The group shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change in use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.</p>			
	<p><b>Commentary:</b></p> <p><b>Fair value hierarchy</b></p> <p>The categorisation of fair value measurements into the different levels of the fair value hierarchy depends on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement. The above categorisations are for illustrative purposes only. It is worth noting the following points:</p> <ul style="list-style-type: none"> <li>• The classification into the 3-level hierarchy is not an accounting policy choice. For land and buildings, given their unique nature, it is extremely rare that the fair value measurement would be identified as a Level 1 measurement. Whether the fair value measurement in its entirety should be classified into Level 2 or Level 3 would depend on the extent to which the inputs and assumptions used in arriving at the fair value are observable. In many situations where valuation techniques (with significant unobservable inputs) are used in estimating the fair value of the real estate properties, the fair value measurement as a whole would be classified as Level 3</li> <li>• The level within which the fair value measurement is categorised bears no relation to the quality of the valuation. For example, the fact that a real estate property is classified as a Level 3 fair value measurement does not mean that the property valuation is not reliable – it merely indicates that significant unobservable inputs have been used and significant judgement was required in arriving at the fair value</li> </ul> <p><b>Fair value disclosures for investment properties measured using the cost model</b></p> <p>For investment properties that are measured using the cost model, paragraph 79(e) of IAS 40 Investment Property requires the fair value of the properties to be disclosed in the notes to the financial statements. In that case, the fair value of the properties (for disclosure purpose) should be measured in accordance with IFRS 13 Fair Value Measurement. In addition, IFRS 13:97 requires the following disclosures:</p> <ul style="list-style-type: none"> <li>• The level in which fair value measurement is categorised (i.e. Level 1, 2 or 3)</li> <li>• When the fair value measurement is categorised within Level 2 or Level 3, a description of the valuation technique(s) and the inputs used in the fair value measurement</li> <li>• The highest and best use of the properties (if different from their current use) and the reasons why the properties are being used in a manner that is different from their highest and best use</li> </ul>			

Source	International GAAP Holdings Limited			
IFRS 13:93(d)		Valuation technique(s)	Significant unobservable input(s)	Sensitivity
IFRS 13:93(d)				
IFRS 13:93(h)(i)	Commercial property units located in [A Land] – [C City]	Income Capitalisation Approach	<p>Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of __ per cent - __ per cent (2022: __ per cent - __ per cent).</p> <p>Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property, at an average of CU__ (2022: CU__) per square metre (“sqm”) per month.</p>	<p>A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.</p> <p>A significant increase in the market rent used would result in a significant increase in fair value, and vice versa.</p>
<p><b>Commentary:</b></p> <p><i>In considering the level of disaggregation of the properties for the above disclosure, management of the entity should take into account the nature and characteristics of the properties in order to provide meaningful information to the users of the financial statements regarding the fair value measurement information of the different types of properties. The breakdown above is for illustrative purposes only.</i></p> <p><i>As illustrated above, for fair value measurements categorised within Level 3 of the fair value hierarchy, an entity provides quantitative information about the significant unobservable inputs used in the fair value measurement. An entity is not required to create quantitative information to comply with this disclosure requirement if quantitative unobservable inputs are not developed by the entity when measuring fair value (e.g. when an entity uses prices from prior transactions or third-party pricing information without adjustment). However, when providing this disclosure an entity cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to the entity.</i></p>				
IAS 40:75(f)			The group has pledged all of its investment property to secure general banking facilities granted to the group.	
IAS 40:75(h)			The property rental income earned by the group from its investment property, all of which is leased out under operating leases, amounted to CU__ million (2022: CU__ million). Direct operating expenses arising on the investment property, all of which generated rental income in the year, amounted to CU__ million (2022: CU__ million).	
			The group has entered into a contract for the maintenance of its investment property for the next five years, which will give rise to an annual charge of CU__ million.	

## Source International GAAP Holdings Limited

## 20. Subsidiaries

**Commentary:**

*IFRS Accounting Standards do not explicitly require an entity to disclose a list of its subsidiaries in the consolidated financial statements. Nevertheless, local laws or regulations may require an entity to make such a disclosure. The disclosure below is for information only and may have to be modified to comply with the additional local requirements.*

IFRS 12:10(a)(i)  
IFRS 12:4  
IFRS 12:B4(a)  
IFRS 12:B5-B6

Information about the composition of the group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		31/12/2023	31/12/2022
<i>[Insert Activity X]</i>	<i>[A Land]</i>		
<i>[Insert Activity Y]</i>	<i>[B Land]</i>		
Principal activity	Place of incorporation and operation	Number of non-wholly-owned subsidiaries	
		31/12/2023	31/12/2022
<i>[Insert Activity X]</i>	<i>[A Land]</i>		
<i>[Insert Activity Y]</i>	<i>[B Land]</i>		

Source	International GAAP Holdings Limited																																												
IFRS 12:10(a)(ii) IFRS 12:12(a)-(f) IFRS 12:B11	<p>The table below shows details of non-wholly owned subsidiaries of the group that have material non-controlling interests.</p> <p style="background-color: #92d050;"><b>Commentary:</b> <i>For illustrative purposes, the following non-wholly owned subsidiaries are assumed to have non-controlling interests that are material to the group. The amounts disclosed should not reflect the elimination of intragroup transactions.</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="3" style="width: 15%;">Name of subsidiary</th> <th rowspan="3" style="width: 15%;">Principal place of business and place of incorporation</th> <th colspan="2" style="width: 30%;">Proportion of ownership interests and voting rights held by non-controlling interests</th> <th colspan="2" style="width: 20%;">Profit (loss) allocated to non-controlling interests for the year</th> <th colspan="2" style="width: 20%;">Non-controlling interests</th> </tr> <tr> <th style="width: 15%;">31/12/2023</th> <th style="width: 15%;">31/12/2022</th> <th style="width: 10%;">31/12/2023</th> <th style="width: 10%;">31/12/2022</th> <th style="width: 10%;">31/12/2023</th> <th style="width: 10%;">31/12/2022</th> </tr> <tr> <th style="text-align: center;">%</th> <th style="text-align: center;">%</th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Subsidiary A Limited (i)</td> <td style="vertical-align: top;">[A Land]</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="vertical-align: top;">Subsidiary B Limited (ii)</td> <td style="vertical-align: top;">[B Land]</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2" style="vertical-align: top;">Individually immaterial subsidiaries with non-controlling interests</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> </tbody> </table>	Name of subsidiary	Principal place of business and place of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests		Profit (loss) allocated to non-controlling interests for the year		Non-controlling interests		31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	%	%	CU	CU	CU	CU	Subsidiary A Limited (i)	[A Land]							Subsidiary B Limited (ii)	[B Land]							Individually immaterial subsidiaries with non-controlling interests							
Name of subsidiary	Principal place of business and place of incorporation			Proportion of ownership interests and voting rights held by non-controlling interests		Profit (loss) allocated to non-controlling interests for the year		Non-controlling interests																																					
				31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022																																				
		%	%	CU	CU	CU	CU																																						
Subsidiary A Limited (i)	[A Land]																																												
Subsidiary B Limited (ii)	[B Land]																																												
Individually immaterial subsidiaries with non-controlling interests																																													
IFRS 12:9(b)	<p>(i) The group owns __ per cent of the equity shares of Subsidiary A Limited. However, based on the contractual arrangements between the group and other investors, the group has the power to appoint and remove the majority of the board of directors of Subsidiary A Limited. The relevant activities of Subsidiary A Limited are determined by the board of directors of Subsidiary A Limited based on simple majority votes. Therefore, the directors of the group concluded that the group has control over Subsidiary A Limited and Subsidiary A Limited is consolidated in these financial statements.</p> <p>(ii) Subsidiary B Limited is listed on the stock exchange of [B Land]. Although the group has only __ per cent ownership in Subsidiary B Limited, the directors concluded that the group has a sufficiently dominant voting interest to direct the relevant activities of Subsidiary B Limited on the basis of the group's absolute size of shareholding and the relative size of and dispersion of the shareholdings owned by other shareholders. The __ per cent ownership interests in Subsidiary B Limited are owned by thousands of shareholders that are unrelated to the group, none individually holding more than __ per cent.</p> <p>The reconciliation of non-controlling interests in note 51 includes an analysis of the profit or loss allocated to non-controlling interests of each subsidiary where the non-controlling interest is material.</p>																																												
IFRS 12:13	There are no significant restrictions on the ability of the group to access or use assets and settle liabilities.																																												
IFRS 12:18	During the year, the group disposed of a __ per cent of its interest in [name of subsidiary]. The proceeds on disposal of CU__ million were received in cash. An amount of CU__ million (being the proportion share of the carrying amount of net assets in [name of subsidiary]) has been transferred to non-controlling interests (see note 51). The gain on disposal of [name of subsidiary] is disclosed in note 52. No investment was retained in the former subsidiary. The gain on disposal is included in the loss on discontinued operations, which is analysed in note 15.																																												
IFRS 12:14-17	<p><b>Commentary:</b> <i>When the group gives financial support to a consolidated structured entity, the nature and risks (including the type and amount of support provided) should be disclosed in the financial statements. Please see paragraph 15 of IFRS 12 Disclosure of Interests in Other Entities for details.</i></p>																																												

Source	International GAAP Holdings Limited																	
 IFRS 12:21(a)	<p><b>21. Associates</b></p> <p><b>Details of material associates</b></p> <p>Details of each of the group's material associates at the end of the reporting period are as follows:</p> <p style="background-color: #92d050; padding: 5px;"><b>Commentary:</b> For illustrative purposes, the following associates are assumed to be material to the group.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Name of associate</th> <th rowspan="2" style="text-align: left;">Principal activity</th> <th rowspan="2" style="text-align: left;">Place of incorporation and principal place of business</th> <th colspan="2" style="text-align: center;">Proportion of ownership interest and voting rights held by the group</th> </tr> <tr> <th style="text-align: center;">31/12/2023</th> <th style="text-align: center;">31/12/2022</th> </tr> </thead> <tbody> <tr> <td>Associate A Limited (i) &amp; (ii)</td> <td>[insert Activity X]</td> <td>[A Land]</td> <td></td> <td></td> </tr> <tr> <td>Associate B Limited (iii)</td> <td>[insert Activity Y]</td> <td>[B Land]</td> <td></td> <td></td> </tr> </tbody> </table>	Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the group		31/12/2023	31/12/2022	Associate A Limited (i) & (ii)	[insert Activity X]	[A Land]			Associate B Limited (iii)	[insert Activity Y]	[B Land]		
Name of associate	Principal activity				Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the group												
		31/12/2023	31/12/2022															
Associate A Limited (i) & (ii)	[insert Activity X]	[A Land]																
Associate B Limited (iii)	[insert Activity Y]	[B Land]																
IFRS 12:21(b)(i)	All of the above associates are accounted for using the equity method in these consolidated financial statements as set out in the group's accounting policies in note 3.																	
IFRS 12:21(a)(iv)	<p>(i) Pursuant to a shareholder agreement, the parent company has the right to cast __ per cent of the votes at shareholder meetings of Associate A Limited.</p> <p>(ii) The financial year end date of Associate A Limited is 31 October. This was the reporting date established when that entity was incorporated, and a change of reporting date is not permitted in [A Land]. For the purposes of applying the equity method of accounting, the financial statements of Associate A Limited for the year ended 31 October 2023 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2023. As at 31 December 2023, the fair value of the group's interest in Associate A Limited, which is listed on the stock exchange of [A Land], was CU__ million (2022: CU__ million) based on the quoted market price available on the stock exchange of [A Land], which is a Level 1 input in terms of IFRS 13.</p>																	
IFRS 12:22(b) IFRS 12:21(b)(III) IFRS 13:97																		
IFRS 12:9(e)	<p>(iii) Although the group holds less than __ per cent of the equity shares of Associate B Limited, and it has less than __ per cent of the voting power at shareholder meetings, the group exercises significant influence by virtue of its contractual right to appoint two out of seven directors to the board of directors of that entity.</p> <p>Dividends received from associates below represent the actual amounts attributable and hence received by the group. The other summary information that precedes the reconciliation to the group's carrying amount represents amounts included in the IFRS financial statements of the associate, not the entity's share of these amounts, although they are adjusted to reflect fair value adjustments upon acquisition or accounting policy alignments.</p>																	
IFRS 12:21(b)(ii) IFRS 12:B12 IFRS 12:B14(a)	Summarised financial information in respect of each of the group's material associates is set out below. The summarised financial information below represents amounts in associates' financial statements prepared in accordance with IFRS Accounting Standards [adjusted by the group for equity accounting purposes].																	

Source	International GAAP Holdings Limited			
	Associate A Limited		Associate B Limited	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	CU	CU	CU	CU
Current assets				
Non-current assets				
Current liabilities				
Non-current liabilities				
Equity attributable to owners of the parent company				
<b>Non-controlling interest</b>				
Revenue				
Profit or loss from continuing operations				
Post-tax profit/(loss) from discontinued operations				
Profit/(loss) for the year				
Other comprehensive income attributable to the owners of the parent company				
Total comprehensive income				
Dividends received from the associate during the year				

Source	International GAAP Holdings Limited			
IFRS 12:B14(b)	Reconciliation of the above summarised financial information to the carrying amount of the interest in Associate A Limited and Associate B Limited recognised in the consolidated financial statements:			
	Associate A Limited		Associate B Limited	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	CU	CU	CU	CU
	Net assets of associate			
	Proportion of the group's ownership interest in the associate			
	Goodwill			
	Other adjustments [ <i>please specify</i> ]			
	<b>Carrying amount of the group's interest in the associate</b>			
IFRS 12:21(c)(ii) IFRS 12:B16	<b>Aggregate information of associates that are not individually material</b>			
	31/12/2023		31/12/2022	
	CU		CU	
	The group's share of profit/(loss) from continuing operations			
	The group's share of post-tax profit/(loss) from discontinued operations			
	The group's share of other comprehensive income			
	The group's share of total comprehensive income			
	Aggregate carrying amount of the group's interests in these associates			
	<b>Unrecognised share of losses of an associate</b>			
	31/12/2023		31/12/2022	
	CU		CU	
IFRS 12:22(c)	The unrecognised share of loss of an associate for the year			
	Cumulative share of loss of an associate			



**Source International GAAP Holdings Limited**

IAS 28:22

***Change in the group's ownership interest in an associate***

In the prior year, the group held a \_\_ per cent interest in Associate C Limited and accounted for the investment as an associate. In December 2023, the group disposed of a \_\_ per cent interest in Associate C Limited to a third party for proceeds of CU\_\_ million (received in January 2024). The group has accounted for the remaining \_\_ per cent interest as a financial asset at FVTOCI whose fair value at the date of disposal was CU\_\_, which was determined using a discounted cash flow model [*describe key factors and assumptions used in determining the fair value*]. This transaction has resulted in the recognition of a gain in profit or loss, calculated as follows:

CU

Proceeds of disposal

Plus: fair value of investment retained (\_\_ per cent)

Less: carrying amount of investment on the date of loss of significant influence

**Gain recognised**

The gain recognised in the current year comprises a realised profit of CU\_\_ (being the proceeds of CU\_\_ less CU\_\_ carrying amount of the interest disposed of) and an unrealised profit of CU\_\_ (being the fair value less the carrying amount of the \_\_ per cent interest retained). A current tax expense of CU\_\_ arose on the gain realised in the current year, and a deferred tax expense of CU\_\_ has been recognised in respect of the portion of the profit recognised that is not taxable until the remaining interest is disposed of.

IFRS 12:22(a)

***Significant restriction***

***Commentary:***

*When there are significant restrictions on the ability of associates to transfer funds to the group in form of cash dividends, or to repay loans or advances made by the group, the group should disclose the nature and extent of significant restrictions in the financial statements.*

## Source International GAAP Holdings Limited



## 22. Joint ventures

**Commentary:**

*In these illustrative financial statements, the group only has one joint venture, JV A Limited, and for illustrative purposes, JV A Limited is assumed to be material to the group.*

IFRS 12:21(a)

**Details of material joint ventures**

Details of each of the group's material joint ventures at the end of the reporting period are as follows:

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the group	
			31/12/2023	31/12/2022
JVA Limited	[insert Activity X]	[A Land]		

IFRS 12:21(b)(i)

All of the above joint ventures are accounted for using the equity method in these consolidated financial statements as set out in the group's accounting policies in note 3.

IFRS 12:21(b)(ii)  
IFRS 12:B12  
IFRS 12:B14(a)

Summarised financial information in respect of each of the group's material joint ventures is set out below. The summarised financial information below represents amounts in joint ventures financial statements prepared in accordance with IFRS Accounting Standards [adjusted by the group for equity accounting purposes].

	JV A Limited	
	31/12/2023	31/12/2022
	CU	CU
Current assets		
Non-current assets		
Current liabilities		
Non-current liabilities		

IFRS 12:B13

The above amounts of assets and liabilities include the following:

Cash and cash equivalents

Current financial liabilities (excluding trade and other payables and provisions)


Non-current financial liabilities (excluding trade and other payables and provisions)



Source	International GAAP Holdings Limited	
IFRS 12:21(c)(ii) IFRS 12:B16	<b>Aggregate information of joint ventures that are not individually material</b>	
	31/12/2023	31/12/2022
	CU	CU
	The group's share of profit/(loss) from continuing operations	
	The group's share of post-tax profit/(loss) from discontinued operations	
	The group's share of other comprehensive income	
	The group's share of total comprehensive income	
	Aggregate carrying amount of the group's interests in these joint ventures	
	<b>Unrecognised share of losses of a joint venture</b>	
	31/12/2023	31/12/2022
	CU	CU
IFRS 12:22(c)	The unrecognised share of loss of a joint venture for the year	
	Cumulative share of loss of a joint venture	
IFRS 12:22(a)	<b>Significant restriction</b>	
	<b>Commentary:</b>	
	<i>When there are significant restrictions on the ability of joint ventures to transfer funds to the group in form of cash dividends, or to repay loans or advances made by the group, the group should disclose the nature and extent of significant restrictions in the financial statements.</i>	
IFRS 12:21(a)	<b>23. Joint operations</b>	
	The group has a material joint operation, Project ABC. The group has a __ per cent share in the ownership of a property located in [E District] – [B City]. The property upon completion will be held for leasing purposes. The group is entitled to a proportionate share of the rental income received and bears a proportionate share of the joint operation's expenses.	

Source		International GAAP Holdings Limited			
		24. Investments in financial assets			
		Current		Non-Current	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
		CU	CU	CU	CU
IFRS 7:8(h)	<b>Investments in debt instruments classified as at FVTOCI (i)</b>				
	Corporate bonds				
IFRS 7:8(h)	<b>Investments in equity instruments designated as at FVTOCI (ii)</b>				
IFRS 7:11A(a)-(c)	Shares				
IFRS 7:8(a)	<b>Financial assets mandatorily measured at FVTPL (iii)</b>				
	Shares				
IFRS 7:8(f)	<b>Financial assets measured at amortised cost (iv)</b>				
	Bills of exchange				
	Debentures				
	Redeemable notes				
	Loans to associates				
	Loan to joint venture				
	Loans to other entities				
	Loss allowance	( )	( )	( )	( )
	<b>Total investments</b>				

Source	International GAAP Holdings Limited
IFRS 7:11A(a)-(c) IFRS 7:42(a)	<p>(i) The investments in listed corporate bond issued by <i>[name of entity]</i> are paying __ per cent of interest per annum and the bonds will mature on <i>[insert date]</i>. At maturity the group will receive nominal amount of CU___. The corporate bonds are held by the group within a business model whose objective is both to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding and to sell these financial assets. Hence the corporate bonds are classified as at FVTOCI. See below for impairment assessment.</p> <p>(ii) The group holds __ per cent of the ordinary share capital of Rocket Corp Limited, an entity involved in the refining and distribution of fuel products. The directors of the parent company do not consider that the group is able to exercise significant influence over Rocket Corp Limited as the other __ per cent of the ordinary share capital is held by one shareholder, who also manages the day-to-day operations of that entity. The fair value of the investment was CU__ (2022: CU__).</p> <p>At 31 December 2023, the group also continues to hold a __ per cent interest in Associate C Limited, a former associate. The fair value of the investment was CU__ (2022: CU__)</p> <p>The valuation methodology for these investments is disclosed in note 62(a)(i).</p> <p>The dividends received in respect of these investments are disclosed in note 9.</p> <p>These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the parent company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.</p>
IFRS 7:11B	<p>Apart from the disposal of __ per cent of Associate C Limited as disclosed in note 21 which resulted in the group's loss of significant influence over the associate, no other shares have been disposed of during the current reporting period.</p> <p>(iii) The group has also invested in a portfolio of listed shares which are held for trading.</p> <p>(iv) The bills of exchange have maturity dates ranging between __ to __ months from the reporting date and return a variable rate of interest. The weighted average interest rate on these securities is __ per cent per annum (2022: __ per cent per annum). The counterparties have a minimum A credit rating. See below for impairment assessment.</p> <p>The debentures return interest of __ per cent per annum payable monthly, and mature on <i>[date]</i>. The counterparties have a minimum BBB- credit rating. See below for impairment assessment.</p> <p>The group holds listed redeemable notes returning __ per cent per annum. The notes are redeemable at par value on <i>[date]</i>. The notes are held with a single counterparty with an AA credit rating. The group holds no collateral over these notes. See below for impairment assessment.</p> <p>The group has provided its associates with short-term loans at rates comparable to the average commercial rate of interest. Further information about these loans is contained in note 64. See below for impairment assessment.</p> <p>The group has provided a joint venture, JV A Limited, with a long-term loan which forms part of the net investment in the joint venture. The loan is repayable in 2070 and interest of __ per cent is receivable annually. The group does not apply the equity method of accounting to this instrument because it does not entitle the group to the share of net assets of the joint venture. As the loan settlement is neither planned nor likely to occur in the foreseeable future, for the purpose of accounting for losses of JV A Limited, the loan would form part of the group's net investment. Therefore, any losses recognised using the equity method in excess of the group's investment in ordinary shares of JV A Limited will be applied to the long-term loan. The loan is held by the group within a business model whose objective is to collect contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Hence the loan to the joint venture is classified at amortised cost. See below for impairment assessment.</p> <p>The bills of exchange, debentures, redeemable notes, and short-term loan to associates and loans to other parties are held by the group within a business model whose objective is to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Hence all of those financial assets are classified as at amortised cost.</p> <p>The fair value of the investments carried at amortised cost is disclosed in note 62(a).</p>

Source	International GAAP Holdings Limited
 <p data-bbox="103 300 255 358">IFRS 7:35F(a)(i) IFRS 7:35G</p> <p data-bbox="103 842 239 949">IFRS 7:35F(a) IFRS 7:35G(c) IFRS 7:35M</p>	<p data-bbox="308 235 643 264"><b><i>Impairment of financial assets</i></b></p> <p data-bbox="308 300 1485 613">For the purposes of impairment assessment, the corporate bonds, investments in redeemable notes, bills of exchange and debentures are considered to have low credit risk as the counterparties to these investments have a minimum BBB- credit rating. Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12-month ECL. As for the loans to related and other parties lifetime ECL was provided for them upon initial application of IFRS 9 until these financial assets are derecognised as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9. For any new loans to related or third parties, which are not purchased or originated credit-impaired financial assets, the impairment loss is recognised as 12-month ECL on initial recognition of such instruments and subsequently the group assesses whether there was a significant increase in credit risk.</p> <p data-bbox="308 636 1485 853">In determining the expected credit losses for these assets, the directors of the parent company have taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of the redeemable notes, bills of exchange and debentures operate obtained from economic expert reports, financial analyst reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.</p> <p data-bbox="308 875 1409 934">There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.</p> <p data-bbox="308 956 1485 1014">Note 62(d)(ii) details the gross carrying amount, loss allowance as well as the measurement basis of expected credit losses for each of these financial assets by credit risk rating grades.</p>

Source	International GAAP Holdings Limited
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IFRS 7:35H

The following table shows the movement in expected credit losses that has been recognised for the respective financial assets:

	12-month ECL				Lifetime ECL – not credit impaired		Total
	Bills of exchange	Loan to joint venture	Debentures	Redeemable notes	Loans to associates	Loans to other entities	
	CU	CU	CU	CU	CU	CU	
<b>Balance as at 1 January 2022</b>							
Increase in loss allowance arising from new financial assets recognised in the year							
Decrease in loss allowance from derecognition of financial assets in the year							
<b>Balance as at 31 December 2022</b>							
Increase in loss allowance arising from new financial assets recognised in the year							
Decrease in loss allowance from derecognition of financial assets in the year							
<b>Balance as at 31 December 2023</b>							


IFRS 7:35B(b)  
IFRS 7:35H

The changes in the loss allowance were caused predominantly by early repayment of the loan by Associate A Limited. The gross carrying amount of the loan was CU\_\_ and associated loss allowance was CU\_\_. There was no significant increase in the credit risk since inception in respect of new loans to associates, the joint venture and other entities.

The loss allowance for the corporate bonds measured at FVTOCI is recognised in other comprehensive income. The movement in loss allowance is disclosed in note 43.




Source	International GAAP Holdings Limited		
	<b>25. Inventories</b>		
		<u>31/12/2023</u>	<u>31/12/2022</u>
		CU	CU
IAS 2:36(b)	Raw materials		
	Work-in-progress		
	Finished goods		
		_____	_____
		_____	_____
IAS 2:36(d)	The cost of inventories recognised as an expense during the year in respect of continuing operations was CU__ million (2022: CU__ million).		
IAS 2:36(e)-(g)	The cost of inventories recognised as an expense includes CU__ million (2022: CU__ million) in respect of write-downs of inventory to net realisable value, and has been reduced by CU__ million (2022: CU__ million) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of increased sales prices in certain markets.		
IAS 1:61	Inventories of CU__ million (2022: CU__ million) are expected to be recovered after more than 12 months.		
	Inventories with a carrying amount of CU__ million (2022: CU__ million) have been pledged as security for certain of the group's bank overdrafts.		
	<b>26. Right to returned goods asset</b>		
		<u>31/12/2023</u>	<u>31/12/2022</u>
		CU	CU
IFRS 15:B21(c)	Right to returned goods asset		
IFRS 15:126(a)	The right to returned goods asset represents the group's right to recover products from customers where customers exercise their right of return under the group's 30-day returns policy. The group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.		
IFRS 15:126(d)			
IFRS 15:116(a)	<b>27. Contract assets</b>		
		<u>31/12/2023</u>	<u>31/12/2022</u>
		CU	CU
		<u>1/1/2022</u>	<u>CU</u>
	Construction contracts		
	Installation of software services		
		_____	_____
		_____	_____
	Current		
	Non-Current		
		_____	_____
		_____	_____


Source	International GAAP Holdings Limited																		
IFRS 15:117	<p>Amounts relating to contract assets are balances due from customers under construction contracts that arise when the group receives payments from customers in line with a series of performance related milestones. The group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.</p> <p>Payment for installation of software services is not due from the customer until the installation services are complete and therefore a contract asset is recognised over the period in which the installation services are performed to represent the entity's right to consideration for the services transferred to date.</p>																		
	<p><b>Commentary:</b></p> <p><i>The balances as at 1 January 2022 are presented to satisfy the requirement in IFRS 15:116(a) to present the opening and closing balances of contract assets from contracts with customers.</i></p> <p><i>IFRS 15:118 contains a requirement to explain the significant changes in the contract asset (and contract liability) balance during the reporting period. This explanation should include qualitative and quantitative information. Examples of changes in the contract asset and liability balances may include any of the following:</i></p> <ul style="list-style-type: none"> <li>• <i>Changes due to business combinations</i></li> <li>• <i>Cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification</i></li> <li>• <i>Impairment of a contract asset</i></li> <li>• <i>A change in the time frame for a right to consideration to become unconditional (i.e. for a contract asset to be reclassified to a receivable)</i></li> <li>• <i>A change in the time frame for a performance obligation to be satisfied (i.e. for the recognition of revenue arising from a contract liability)</i></li> </ul>																		
IFRS 7:34(a)	<p>The directors of the parent company always measure the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience, the nature of the customer and where relevant, the sector in which they operate.</p>																		
IFRS 7:35G(c)	<p>There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amounts due from customers under construction contracts.</p>																		
IFRS 7:35M IFRS 7:35N IFRS 9:B5.5.35	<p>The following table details the risk profile of amounts due from customers based on the group's provision matrix. As the group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the group's different customer base (see note 31).</p>																		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2023</th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> </tr> </thead> <tbody> <tr> <td>Expected credit loss rate</td> <td style="text-align: center;">__%</td> <td style="text-align: center;">__%</td> </tr> <tr> <td>Estimated total gross carrying amount at default</td> <td></td> <td></td> </tr> <tr> <td>Lifetime ECL</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td><b>Net carrying amount</b></td> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> </tr> </tbody> </table>		31/12/2023	31/12/2022		CU	CU	Expected credit loss rate	__%	__%	Estimated total gross carrying amount at default			Lifetime ECL			<b>Net carrying amount</b>		
	31/12/2023	31/12/2022																	
	CU	CU																	
Expected credit loss rate	__%	__%																	
Estimated total gross carrying amount at default																			
Lifetime ECL																			
<b>Net carrying amount</b>																			

Source	International GAAP Holdings Limited																		
IFRS 7:35H IFRS 7:IG20B	<p>The following table shows the movement in lifetime ECL that has been recognised for contract assets in accordance with the simplified approach set out in IFRS 9.</p> <p style="text-align: right;">CU</p> <p><b>Balance as at 1 January 2022</b></p> <p>Net increase in loss allowance arising from new amounts recognised in current year, net of those derecognised upon billing</p> <hr/> <p><b>Balance as at 31 December 2022</b></p> <p>Net increase in loss allowance arising from new amounts recognised in current year, net of those derecognised upon billing</p> <hr/> <p><b>Balance as at 31 December 2023</b></p> <hr/>																		
IFRS 7:35B(b) IFRS 7:35I	<p>There has not been any significant change in the gross amounts of contract assets that has affected the estimation of the loss allowance.</p>																		
	<p><b>28. Contract costs</b></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 15%; text-align: center; border-bottom: 1px solid black;">31/12/2023</th> <th style="width: 15%; text-align: center; border-bottom: 1px solid black;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> </tr> </thead> <tbody> <tr> <td>IFRS 15:128(a) Costs to obtain contracts</td> <td style="border-top: 1px solid black; border-bottom: 1px solid black;"></td> <td style="border-top: 1px solid black; border-bottom: 1px solid black;"></td> </tr> <tr> <td>Current</td> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Non-Current</td> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black; border-bottom: 1px solid black;"></td> <td style="border-top: 1px solid black; border-bottom: 1px solid black;"></td> </tr> </tbody> </table> <p>Costs to obtain contracts relate to incremental commission fees of __ per cent paid to intermediaries as a result of obtaining residential property sales contracts. The commission fees are the only cost that the group would not have incurred if the contract had not been obtained. Whilst the group incurs other costs that are necessary to facilitate a sale, those costs would have been incurred even if the customer decided not to execute the contract and therefore have not been capitalised.</p>		31/12/2023	31/12/2022		CU	CU	IFRS 15:128(a) Costs to obtain contracts			Current			Non-Current					
	31/12/2023	31/12/2022																	
	CU	CU																	
IFRS 15:128(a) Costs to obtain contracts																			
Current																			
Non-Current																			
IFRS 15:127 IFRS 15:128(b)	<p>These costs are amortised on a straight-line basis over the period of construction (in general, 2 years) as this reflects the period over which the residential property is transferred to the customer. In 2023, amortisation amounting to CU__ (2022: CU__) was recognised as part of cost of sales in the consolidated statement of profit or loss. There was no impairment loss (2022: impairment loss of CU__) in relation to the costs capitalised.</p>																		

Source	International GAAP Holdings Limited		
	<b>29. Finance lease receivables</b>		
		31/12/2023	31/12/2022
		CU	CU
IFRS 16:94	<b>Amounts receivable under finance leases:</b>		
	Year 1		
	Year 2		
	Year 3		
	Year 4		
	Year 5		
	Onwards		
	Undiscounted lease payments		
	Unguaranteed residual values	()	()
	Less: unearned finance income	()	()
	Present value of lease payments receivable		
	Impairment loss allowance	()	()
	<b>Net investment in the lease</b>		
	Undiscounted lease payments analysed as:		
	Recoverable after 12 months		
	Recoverable within 12 months		
	Net investment in the lease analysed as:		
	Recoverable after 12 months		
	Recoverable within 12 months		
IFRS 16:93	During the year, the finance lease receivables increased for the following reasons: <i>[qualitative and quantitative explanation of the significant changes in the carrying amount of the net investment in finance leases]</i>		
IFRS 16:92	The group entered into finance leasing arrangements as a lessor for certain store equipment to its retailers. The equipment is necessary for the presentation and testing of footwear and equipment manufactured by the group. The average term of finance leases entered into is __ years. Generally, these lease contracts do not include extension or early termination options.		
IFRS 16:92 IFRS 7:7	The group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in CU. Residual value risk on equipment under lease is not significant, because of the existence of a secondary market with respect to the equipment.		

Source	International GAAP Holdings Limited																																																																																					
IFRS 16:91	<p>The following table presents the amounts included in profit or loss:</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">31/12/2023</th> <th style="text-align: right;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: right;">CU</th> <th style="text-align: right;">CU</th> </tr> </thead> </table>		31/12/2023	31/12/2022		CU	CU																																																																															
	31/12/2023	31/12/2022																																																																																				
	CU	CU																																																																																				
IFRS 16:90(a)(i)	Selling profit/loss for finance leases																																																																																					
IFRS 16:90(a)(ii)	Finance income on the net investment in finance leases																																																																																					
IFRS 16:90(a)(iii)	Income relating to variable lease payments not included in the net investment in finance leases																																																																																					
	The group's finance lease arrangements do not include variable payments.																																																																																					
IFRS 7:7	The average effective interest rate contracted approximates __ per cent (2022: __ per cent) per annum.																																																																																					
IFRS 7:34(a)	The directors of the parent company estimate the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables (see note 62(d)(i)), the directors of the parent company consider that no finance lease receivable is impaired.																																																																																					
 IFRS 7:35G(c)	There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for finance lease receivables.																																																																																					
IFRS 16:52	<p><b>30. Leases (group as a lessee)</b></p> <p><b><i>Right-of-use assets</i></b></p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: center;">Buildings</th> <th style="text-align: center;">Plant</th> <th style="text-align: center;">Equipment</th> <th style="text-align: center;">Total</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> </tr> </thead> <tbody> <tr> <td><b>Cost</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>At 1 January 2022</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additions</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>At 31 December 2022</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additions</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>At 31 December 2023</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Accumulated depreciation</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>At 1 January 2022</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>IFRS 16:53(a) Charge for the year</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>At 31 December 2022</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>IFRS 16:53(a) Charge for the year</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>At 31 December 2023</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Carrying amount</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>IFRS 16:53(j) At 31 December 2023</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>IFRS 16:53(j) At 31 December 2022</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Buildings	Plant	Equipment	Total		CU	CU	CU	CU	<b>Cost</b>					At 1 January 2022					Additions					At 31 December 2022					Additions					<b>At 31 December 2023</b>					<b>Accumulated depreciation</b>					At 1 January 2022					IFRS 16:53(a) Charge for the year					At 31 December 2022					IFRS 16:53(a) Charge for the year					<b>At 31 December 2023</b>					<b>Carrying amount</b>					IFRS 16:53(j) At 31 December 2023					IFRS 16:53(j) At 31 December 2022				
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Source	International GAAP Holdings Limited						
	<p><b>Commentary:</b></p> <p><i>IFRS 16:47(a) states that where a lessee does not present right-of-use assets separately in the statement of financial position, the lessee shall:</i></p> <ul style="list-style-type: none"> <li>• <i>Include right-of-use assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned</i></li> <li>• <i>Disclose which line items in the statement of financial position include those right-of-use assets</i></li> </ul>						
IFRS 16:59(a)	<p>The group leases several assets including buildings, plant and IT equipment. The average lease term is __ years (2022: __ years)</p> <p>The group has options to purchase certain manufacturing equipment for a nominal amount at the end of the lease term. The group's obligations are secured by the lessors' title to the leased assets for such leases.</p>						
IFRS 16:53(h)	<p>Approximately one fifth of the leases for buildings and equipment expired in the current financial year. The expired contracts were replaced by new leases for identical underlying assets. This resulted in additions to right-of-use assets of CU__ million in 2023 (2022: CU__ million).</p> <p>The maturity analysis of lease liabilities is presented in note 36.</p>						
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; border-bottom: 1px solid black; text-align: center;">31/12/2023</th> <th style="width: 20%; border-bottom: 1px solid black; text-align: center;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> </tr> </thead> </table>		31/12/2023	31/12/2022		CU	CU
	31/12/2023	31/12/2022					
	CU	CU					
IFRS 16:54	<b>Amounts recognised in profit and loss</b>						
IFRS 16:53(a)	Depreciation expense on right-of-use assets						
IFRS 16:53(b)	Interest expense on lease liabilities						
IFRS 16:53(c)	Expense relating to short-term leases						
IFRS 16:53(d)	Expense relating to leases of low value assets						
IFRS 16:53(e)	Expense relating to variable lease payments not included in the measurement of the lease liability						
IFRS 16:53(f)	Income from sub-leasing right-of-use assets						
	<p>For short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones), the group recognises the lease payments as an operating expense <i>[on a straight-line basis over the term of the lease/ describe the systematic basis use if this is more representative of the time pattern in which economic benefits from the leased assets are consumed]</i>.</p>						
IFRS 16:55	At 31 December 2023, the group is committed to CU__ million (2022: CU__ million) for short-term leases.						
IFRS 16:59(b) IFRS 16:B49	<p>Some of the property leases in which the group is the lessee contain variable lease payment terms that are linked to sales generated from the leased stores. Variable payment terms are used to link rental payments to store cash flows and reduce fixed cost. The breakdown of lease payments for these stores is as follows:</p>						
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; border-bottom: 1px solid black; text-align: center;">31/12/2023</th> <th style="width: 20%; border-bottom: 1px solid black; text-align: center;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> </tr> </thead> </table>		31/12/2023	31/12/2022		CU	CU
	31/12/2023	31/12/2022					
	CU	CU					
	Fixed payments						
	Variable payments						
	<b>Total payments</b>						
IFRS 16:59(b)(i) IFRS 16:B49	<p>Overall, the variable payments constitute up to __ per cent of the group's entire lease payments. The group expects this ratio to remain constant in future years. The variable payments depend on sales and consequently on the overall economic development over the next few years. Taking into account the development of sales expected over the next __ years, variable rent expenses are expected to continue to present a similar proportion of store sales in future years.</p>						
	<div style="display: flex; align-items: center;"> <p style="color: green; margin: 0;">See Note 2.3 in Appendix 2 for an illustrative example of the change in accounting policy for IFRIC agenda decision <i>Definition of a Lease—Substitution Rights (IFRS 16 Leases)</i>.</p> </div>						

Source	International GAAP Holdings Limited																								
IFRS 16:53(g)	<p>The total cash outflow for leases amount to CU__ million (2022: CU__ million)</p> <p>On [date] 2023, Subsidiary A Limited entered into a 10-year lease to rent property, which had not commenced by the year-end and as a result, a lease liability and right-of-use asset has not been recognised at 31 December 2023. The aggregate future cash outflows to which the group is exposed in respect of this contract is fixed payments of CU__ per year, for the next 10 years.</p> <p>There are no extension or termination options on the lease.</p> <p><b>Commentary:</b></p> <p><i>In addition to the disclosures required in IFRS 16:53-58, a lessee is required to disclose additional qualitative and quantitative information about its leasing activities necessary to meet the disclosure objective in IFRS 16:51. This additional information may include, but is not limited to, information that helps users of financial statements to assess:</i></p> <ul style="list-style-type: none"> <li>• <i>The nature of the lessee's leasing activities</i></li> <li>• <i>Future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities. This includes exposure arising from:</i> <ul style="list-style-type: none"> <li>– <i>Variable lease payments</i></li> <li>– <i>Extension options and termination options</i></li> <li>– <i>Residual value guarantees</i></li> <li>– <i>Leases not yet commenced to which the lessee is committed</i></li> </ul> </li> <li>• <i>Restrictions or covenants imposed by leases</i></li> <li>• <i>Sale and leaseback transactions</i></li> </ul>																								
	<p><b>31. Trade and other receivables</b></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="text-align: right; border-bottom: 1px solid black; width: 15%;">31/12/2023</th> <th style="text-align: right; border-bottom: 1px solid black; width: 15%;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: right;">CU</th> <th style="text-align: right;">CU</th> </tr> </thead> <tbody> <tr> <td>Trade receivables</td> <td></td> <td></td> </tr> <tr> <td>Loss allowance</td> <td style="text-align: right;">()</td> <td style="text-align: right;">()</td> </tr> <tr> <td>Deferred consideration for the disposal of [name of subsidiary] (see note 52)</td> <td></td> <td></td> </tr> <tr> <td>Other receivables</td> <td></td> <td></td> </tr> <tr> <td>Prepayments</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> </tbody> </table>		31/12/2023	31/12/2022		CU	CU	Trade receivables			Loss allowance	()	()	Deferred consideration for the disposal of [name of subsidiary] (see note 52)			Other receivables			Prepayments					
	31/12/2023	31/12/2022																							
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Deferred consideration for the disposal of [name of subsidiary] (see note 52)																									
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Prepayments																									
																									
IFRS 15:116(a)	<p>As at 1 January 2022, trade receivables from contracts with customers amounted to CU__ (net of loss allowance of CU__).</p> <p><b>Trade receivables</b></p> <p>The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables.</p>																								
IFRS 7:35G	<p>The group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The group has recognised a loss allowance of 100 per cent against all receivables over 120 days past due because historical experience has indicated that these receivables are generally not recoverable.</p>																								
IFRS 7:35G(c)	<p>The group has engaged a third-party supplier to provide relevant economic data for determining the factors that are specific to the debtors, the general economic conditions of the industry in which the debtors operate and the forecast direction of conditions at the reporting date. The group has significantly increased the expected loss rates for trade receivables from the prior year based on its judgement of the impact of current economic conditions and the forecast direction of travel at the reporting date. There has been no change in the estimation techniques during the current reporting period.</p>																								

Source	International GAAP Holdings Limited																																																																																												
IFRS 7:35F(e) IFRS 7:35L	The group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.																																																																																												
IFRS 7:35M IFRS 7:35N IFRS 9:B5.5.35	<p>The following table details the risk profile of trade receivables based on the group's provision matrix. As the group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the group's different customer segments.</p> <table border="1"> <thead> <tr> <th rowspan="2">31/12/2023</th> <th colspan="6">Trade receivables – days past due</th> <th rowspan="2">Total</th> </tr> <tr> <th>Not past due</th> <th>&lt;30</th> <th>31-60</th> <th>61-90</th> <th>91-120</th> <th>&gt;120</th> </tr> </thead> <tbody> <tr> <td></td> <td>CU</td> <td>CU</td> <td>CU</td> <td>CU</td> <td>CU</td> <td>CU</td> <td>CU</td> </tr> <tr> <td>Expected credit loss rate</td> <td>__%</td> <td>__%</td> <td>__%</td> <td>__%</td> <td>__%</td> <td>__%</td> <td></td> </tr> <tr> <td>Estimated total gross carrying amount at default</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Lifetime ECL</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>_____</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2">31/12/2022</th> <th colspan="6">Trade receivables – days past due</th> <th rowspan="2">Total</th> </tr> <tr> <th>Not past due</th> <th>&lt;30</th> <th>31-60</th> <th>61-90</th> <th>91-120</th> <th>&gt;120</th> </tr> </thead> <tbody> <tr> <td></td> <td>CU</td> <td>CU</td> <td>CU</td> <td>CU</td> <td>CU</td> <td>CU</td> <td>CU</td> </tr> <tr> <td>Expected credit loss rate</td> <td>__%</td> <td>__%</td> <td>__%</td> <td>__%</td> <td>__%</td> <td>__%</td> <td></td> </tr> <tr> <td>Estimated total gross carrying amount at default</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Lifetime ECL</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>_____</td> </tr> </tbody> </table>	31/12/2023	Trade receivables – days past due						Total	Not past due	<30	31-60	61-90	91-120	>120		CU	CU	CU	CU	CU	CU	CU	Expected credit loss rate	__%	__%	__%	__%	__%	__%		Estimated total gross carrying amount at default								Lifetime ECL							_____	31/12/2022	Trade receivables – days past due						Total	Not past due	<30	31-60	61-90	91-120	>120		CU	CU	CU	CU	CU	CU	CU	Expected credit loss rate	__%	__%	__%	__%	__%	__%		Estimated total gross carrying amount at default								Lifetime ECL							_____
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IFRS 7:35H	The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.																																																																																												



Source	International GAAP Holdings Limited		
	Collectively assessed	Individually assessed	Total
	CU	CU	CU
	<b>Balance as at 1 January 2022</b>		
	Net remeasurement of loss allowance		
	Amounts written off		
	Amounts recovered		
	Change in loss allowance due to new trade and other receivables originated net of those derecognised due to settlement		
	Foreign exchange gains and losses		
	Changes in credit risk parameters		
	<b>Balance as at 31 December 2022</b>		
	Net remeasurement of loss allowance		
	Amounts written off		
	Amounts recovered		
	Change in loss allowance due to new trade and other receivables originated net of those derecognised due to settlement		
	Foreign exchange gains and losses		
	Changes in credit risk parameters		
	<b>Balance as at 31 December 2023</b>		
IFRS 7:35L	The contractual amounts outstanding on trade receivables that were written off during the period but are still subject to enforcement activities was CU__ million (2022: CU__ million).		

Source	International GAAP Holdings Limited												
IFRS 7:35B(b) IFRS 7:35I IFRS 7:IG20B	<p>The following tables explain how significant changes in the gross carrying amount of the trade receivables contributed to changes in the loss allowance:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">31/12/2023</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">Increase/(decrease) in lifetime ECL</td> </tr> <tr> <td></td> <td style="text-align: right;">CU</td> </tr> </tbody> </table> <p>Settlement in full by customers with a gross carrying amount of CU__ that were over 120 days past due</p> <p>Origination of new trade receivables net of those settled, as well as increase in days past due up to 90 days</p> <table style="width: 100%; border-collapse: collapse; margin-top: 20px;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">31/12/2022</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">Increase/(decrease) in lifetime ECL</td> </tr> <tr> <td></td> <td style="text-align: right;">CU</td> </tr> </tbody> </table> <p>Customer with gross carrying amount of CU__ declared bankruptcy</p> <p>Origination of new trade receivables net of those settled, as well as decrease in days past due to 60 days</p>		31/12/2023		Increase/(decrease) in lifetime ECL		CU		31/12/2022		Increase/(decrease) in lifetime ECL		CU
	31/12/2023												
	Increase/(decrease) in lifetime ECL												
	CU												
	31/12/2022												
	Increase/(decrease) in lifetime ECL												
	CU												
<p><b>Commentary:</b></p> <p><i>IFRS 7:35H requires an entity to explain the reasons for the changes in the loss allowance during the period. In addition to the reconciliation from the opening balance to the closing balance of the loss allowance, it may be necessary to provide a narrative explanation of the changes. This narrative explanation may include an analysis of the reasons for changes in the loss allowance during the period, including:</i></p> <ul style="list-style-type: none"> <li>• <i>The portfolio composition</i></li> <li>• <i>The volume of financial instruments purchased or originated</i></li> <li>• <i>The severity of the expected credit losses</i></li> </ul>													
<div style="border: 1px solid #92d050; padding: 10px; display: flex; align-items: center;">  <p>Where material, entities may wish to include a separate line item setting out the amount of goods and services tax recoverable.</p> </div>													

Source	International GAAP Holdings Limited	
IFRS 7:8(g)	<b>32. Borrowings</b>	
	31/12/2023	31/12/2022
	_____	_____
	CU	CU
	<b><i>Unsecured borrowing at FVTPL</i></b>	
	Redeemable cumulative preference shares	
	_____	_____
	<b><i>Unsecured borrowing at amortised cost</i></b>	
	Bank overdrafts	
	Bank loans	
	Bills of exchange	
	Loans from related parties	
	Loans from government	
	Perpetual notes	
	_____	_____
	<b><i>Secured borrowing at amortised cost</i></b>	
	Bank overdrafts	
	Bank loans	
	_____	_____
	<b>Total borrowings</b>	
	_____	_____
	Non-current	
	Current	

## Source

## International GAAP Holdings Limited

**Analysis of borrowings by currency:**

	Currency Units	[Currency B]	[Currency C]	Total
	CU	CU	CU	CU
<b>31 December 2023</b>				
Bank overdrafts				
Bills of exchange				
Loans from related parties				
Redeemable cumulative preference shares				
Perpetual notes				
Bank loans	_____	_____	_____	_____
	_____	_____	_____	_____
<b>31 December 2022</b>				
Bank overdrafts				
Bills of exchange				
Loans from related parties				
Redeemable cumulative preference shares				
Perpetual notes				
Bank loans	_____	_____	_____	_____
	_____	_____	_____	_____

IFRS 7:7

The other principal features of the group's borrowings are as follows:

- (i) Bank overdrafts are repayable on demand. Overdrafts of CU\_\_ million (2022: CU\_\_ million) have been secured by a charge over certain debentures held by the group dated [date]. In line with the minimum required security, the carrying value of these debentures is CU\_\_ million (2022: CU\_\_ million). The average effective interest rate on bank overdrafts is approximately \_\_ per cent (2022: \_\_ per cent) per annum and rates are determined based on \_\_ per cent plus prime rate.
- (ii) The group has two principal bank loans:
  - (a) A loan of CU\_\_ million (2022: CU\_\_ million). The loan was taken out on [date]. Repayments commenced on [date] and will continue until [date]. The loan is secured by a floating charge over certain of the group's trade receivables dated [date], whose carrying value is CU\_\_ million (2022: CU\_\_ million). The group is required to maintain trade receivables that are not past due with carrying value of CU\_\_ million as security for the loan (see note 31). Originally, the loan carried interest rate at \_\_ per cent above 3-month LIBOR. However, in the first quarter of 2022, the group transitioned its CU\_\_ million bank borrowings to SOFR. The CU\_\_ million bank borrowings that transitioned to SOFR had an additional fixed spread added of [x]bps. No other terms were amended as part of the transition. The group accounted for the change to SOFR using the practical expedient in IFRS 9, which allows the group to change the basis for determining the contractual cash flows prospectively by revising the effective interest rate. See note 62.

Source	International GAAP Holdings Limited																								
IFRS 7:10(a) IFRS 7:10(b)	<p>(b) An unsecured loan of CU__ million (2022: CU__ million). This loan was advanced on [date] and is due for repayment in full on [date]. The bank loan carries fixed interest rate at __ per cent (2022: __ per cent) per annum. The group hedges a portion of the loan for interest rate risk using an interest rate swap exchanging fixed rate interest for variable rate interest. The outstanding balance is adjusted for fair value movements in the hedged risk, being movements in the 6-month EURIBOR rate. The cumulative fair value adjustment to the loan was CU__ million (2022: CU__ million).</p> <p>(iii) Bills of exchange with a variable interest rate were issued on [date]. The current weighted average effective interest rate on the bills is __ per cent (2022: __ per cent) per annum.</p> <p>(iv) Amounts repayable to related parties of the group carry interest of __ per cent to __ per cent (2022: __ per cent to __ per cent) per annum charged on the outstanding loan balances.</p> <p>(v) Redeemable cumulative preference shares of CU__ million were issued on [date] at an issue price of CU__ per share. The shares carry __ per cent non-discretionary dividends and are mandatorily redeemable on [date] at CU__ per share. The preference shares do not carry any equity component and are classified as financial liabilities in their entirety. At the same date when the preference shares were issued, the group entered into a pay-floating, receive-fixed interest rate swap to reduce the fair value risk of changing interest rates. The swap's notional is CU__ million and matches the principal of the preference shares. The swap matures on [date]. To mitigate the accounting mismatch arising on measuring the liability at amortised cost and measuring the derivative at FVTPL, the group designated the preference shares as at FVTPL. The changes in the fair value of the preference shares due to the changes in the credit risk do not create or enlarge the accounting mismatch and, therefore, they are recognised in other comprehensive income and accumulated in the financial liabilities at FVTPL credit risk reserve (see note 45). The cumulative amount change in fair value due to credit risk was CU__ (2022: CU__). The difference between the carrying amount (i.e. the fair value) of the preference shares and the contractual amount that will be required to pay at maturity is CU__ (2022: CU__). The valuation methodology and inputs used are disclosed in note 62(a)(i).</p> <p>(vi) Perpetual notes of CU__ million carrying interest of __ per cent were issued on [date] at principal value. Issue costs of CU__ million were incurred.</p> <p>(vii) On [date], the group received an interest-free loan of CU__ million from the government of [B Land] to finance staff training costs. The loan is repayable in full at the end of a two-year period. Using prevailing market interest rates for an equivalent loan of __ per cent, the fair value of the loan is estimated at CU__ million. The difference of CU__ between the gross proceeds and the fair value of the loan is the benefit derived from the interest-free loan and is recognised as deferred income (see note 59). Interest charges will be recognised on this loan in 2023 (CU__) and 2022 (CU__).</p> <p>The weighted average interest rates paid during the year were as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center; border-bottom: 1px solid black;">31/12/2023</th> <th style="width: 20%; text-align: center; border-bottom: 1px solid black;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: center;">%</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td>Bank overdrafts</td> <td></td> <td></td> </tr> <tr> <td>Bills of exchange</td> <td></td> <td></td> </tr> <tr> <td>Loans from related parties</td> <td></td> <td></td> </tr> <tr> <td>Redeemable cumulative preference shares</td> <td></td> <td></td> </tr> <tr> <td>Perpetual notes</td> <td></td> <td></td> </tr> <tr> <td>Bank loans</td> <td></td> <td></td> </tr> </tbody> </table>		31/12/2023	31/12/2022		%	%	Bank overdrafts			Bills of exchange			Loans from related parties			Redeemable cumulative preference shares			Perpetual notes			Bank loans		
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IFRS 7:18	<p><b>Breach of a loan agreement</b></p> <p>During the current year, the group was late in paying interest for the first quarter on one of its loans with a carrying amount of CU__ million. The delay arose because of a temporary lack of funds on the date interest was payable due to a technical problem on settlement. The interest payment outstanding of CU__ million was paid in full on the following day, including the additional interest and penalty. The lender did not request accelerated repayment of the loan and the terms of the loan were not changed. Management has reviewed the group's settlement procedures to ensure that such circumstances do not recur.</p>																								

Source	International GAAP Holdings Limited																						
	<p><b>Covenants</b></p> <p>The secured bank loan is subject to a financial covenant which is tested semi-annually on 30 June and 31 December each year. The covenant measures the group's gearing ratio as calculated in note 62(f). The group has complied with this covenant in 2023 and 2022.</p> <p>Perpetual notes issued by the group do not contain financial covenants, however the group is required to provide notification to the note holders following a change of control. Change of control may, at the discretion of the note holders, trigger the establishment of additional guarantees or the early repayment of outstanding amounts.</p> <p>Other borrowings issued by the group do not contain any covenants.</p>																						
IFRS 7:7	<p><b>33. Convertible loan notes</b></p> <p>The convertible loan notes were issued on [date] at an issue price of CU__ per note. The notes are convertible into ordinary shares of the parent company at any time between the date of issue of the notes and their settlement date. On issue, the loan notes were convertible at __ shares per CU__ loan note. The conversion price is at a __ per cent premium to the share price of the ordinary shares at the date the convertible loan notes were issued.</p> <p>If the notes have not been converted, they will be redeemed on [date] at par. Interest of __ per cent will be paid annually up until that settlement date.</p>																						
IAS 32:28	<p>The net proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity of the parent company, as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="width: 20%; text-align: right;">CU</td> </tr> <tr> <td>Proceeds of issue of convertible loan notes</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Transaction costs</td> <td style="text-align: right;">_____</td> </tr> <tr> <td><b>Net proceeds from issue of convertible loan notes</b></td> <td style="text-align: right;"><b>_____</b></td> </tr> <tr> <td>Equity component</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Transaction costs relating to equity component</td> <td style="text-align: right;">_____</td> </tr> <tr> <td><b>Amount classified as equity</b></td> <td style="text-align: right;"><b>_____</b></td> </tr> <tr> <td>Liability component at date of issue (net of transaction costs)</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Interest charged (using effective interest rate)</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Interest paid</td> <td style="text-align: right;">_____ ( )</td> </tr> <tr> <td><b>Carrying amount of liability component at 31 December 2023</b></td> <td style="text-align: right;"><b>_____</b></td> </tr> </table> <p>The equity component of CU__ million has been credited to the option premium on convertible notes reserve (see note 44).</p> <p>The interest expensed for the year is calculated by applying an effective interest rate of __ per cent to the liability component for the __ months period since the loan notes were issued. The liability component is measured at amortised cost. The difference between the carrying amount of the liability component at the date of issue and the amount reported in the reporting at 31 December 2023 represents the effective interest rate less interest paid to that date.</p>		CU	Proceeds of issue of convertible loan notes	_____	Transaction costs	_____	<b>Net proceeds from issue of convertible loan notes</b>	<b>_____</b>	Equity component	_____	Transaction costs relating to equity component	_____	<b>Amount classified as equity</b>	<b>_____</b>	Liability component at date of issue (net of transaction costs)	_____	Interest charged (using effective interest rate)	_____	Interest paid	_____ ( )	<b>Carrying amount of liability component at 31 December 2023</b>	<b>_____</b>
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<b>Carrying amount of liability component at 31 December 2023</b>	<b>_____</b>																						

Source	International GAAP Holdings Limited		
	<b>34. Derivative financial instruments</b>		
		31/12/2023	31/12/2022
		CU	CU
	<b>Derivative financial assets</b>		
IFRS 7:8(a)	Derivatives that are designated and effective as hedging instruments carried at fair value:		
	Foreign currency forward contracts		
	Interest rate swaps		
	Commodity options		
	<b>Derivative financial liabilities</b>		
IFRS 7:8(e)	Derivatives that are designated and effective as hedging instruments carried at fair value:		
	Foreign currency forward contracts		
	Interest rate swaps		
IFRS 7:8(e)	Held for trading derivatives that are not designated in hedge accounting relationships:		
	Interest rate swap		
IFRS 7:13B IFRS 7:13C	The group has entered into master netting agreements with the following counterparties: <i>[state the name]</i> . Derivatives subject to offsetting, master netting agreements and any collateral pledged or received are presented below.		
		31/12/2023	31/12/2022
		CU	CU
	<b>Counterparty A:</b>		
	Derivative assets		
	Derivative liabilities		
	Net amount of financial assets/(liabilities) presented in the statement of financial position		
	Cash collateral (received)/paid		
	<b>Net amount</b>		
	<b>Counterparty B:</b>		
	Derivative assets		
	Derivative liabilities		
	<b>Net amount</b>		

**Source International GAAP Holdings Limited**

The derivative asset and liability with Counterparty A meet the offsetting criteria in IAS 32 *Financial Instruments: Presentation*. Consequently, the gross derivative liability is offset against the gross derivative asset, resulting in the presentation of a net derivative asset of CU\_\_ million in the group's statement of financial position.

Cash collateral has also been received from Counterparty A for a portion of the net derivative asset (CU\_\_ million). The cash collateral of CU\_\_ million does not meet the offsetting criteria in IAS 32, but it can be offset against the net amount of the derivative asset and derivative liability in the case of default and insolvency or bankruptcy, in accordance with associated collateral arrangements.

The derivative asset and liability with Counterparty B do not meet the offsetting criteria in IAS 32. Consequently, the gross amount of the derivative asset (CU\_\_ million) and gross amount of derivative liability (CU\_\_ million) are presented separately in the group's statement of financial position.

The group did not enter into any other enforceable netting arrangements than discussed above.

Further details of derivative financial instruments are provided in note 62(c).



Source

International GAAP Holdings Limited

**35. Deferred tax**


The following are the major deferred tax liabilities and assets recognised by the group and movements thereon during the current and prior reporting period.

	Accelerated tax depreciation	Deferred development costs	Revaluation of building
	CU	CU	CU
<b>At 1 January 2022</b>			
Charge to profit or loss			
Charge to other comprehensive income			
Charge direct to equity			
Exchange differences			
<b>At 1 January 2023</b>			
Charge/(credit) to profit or loss			
Charge to other comprehensive income			
Charge direct to equity			
Acquisition of subsidiary			
Disposal of subsidiary			
Exchange differences			
Effect of change in tax rate:			
profit or loss			
other comprehensive income			
direct to equity			
<b>At 31 December 2023</b>			


Source International GAAP Holdings Limited

Revaluation of financial assets	Convertible loan note – equity component	Retirement benefit obligations	Share-based payments	Tax losses	Total
CU	CU	CU	CU	CU	CU
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____


Source	International GAAP Holdings Limited												
IAS 12:74	<p>Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">31/12/2023</th> <th style="text-align: right; border-bottom: 1px solid black;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: right;">CU</th> <th style="text-align: right;">CU</th> </tr> </thead> <tbody> <tr> <td>Deferred tax liabilities</td> <td></td> <td></td> </tr> <tr> <td>Deferred tax assets</td> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> </tr> </tbody> </table>		31/12/2023	31/12/2022		CU	CU	Deferred tax liabilities			Deferred tax assets		
	31/12/2023	31/12/2022											
	CU	CU											
Deferred tax liabilities													
Deferred tax assets													
IAS 12:81(e)	<p>At the reporting date, the group has unused tax losses of CU__ million (2022: CU__ million) available for offset against future profits. A deferred tax asset has been recognised in respect of CU__ million (2022: CU__ million) of such losses. No deferred tax asset has been recognised in respect of the remaining CU__ million (2022: CU__ million) as it is not considered probable that there will be future taxable profits available. Included in unrecognised tax losses are losses of CU__ million (2022: CU__ million) that will expire in [year]. Other losses may be carried forward indefinitely.</p>												
IAS 12:81(f)	<p>No deferred tax liability is recognised on temporary differences of CU__ million (2022: CU__ million) relating to the unremitted earnings of overseas subsidiaries as the group is able to control the timings of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. Temporary differences arising in connection with interests in associates are insignificant.</p>												
	<p style="color: green;">See Note 2.1 in Appendix 2 for an illustrative disclosure on the below new amendments effective for the current year for:</p> <ul style="list-style-type: none"> <li style="color: green;">• <i>AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i></li> <li style="color: green;">• <i>AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules.</i></li> </ul>												

Source	International GAAP Holdings Limited		
	<b>36. Lease liabilities</b>		
		31/12/2023	31/12/2022
		CU	CU
IFRS 16:58 IFRS 7:39(a) IFRS 16:BC221	<b>Maturity analysis:</b>		
	Year 1		
	Year 2		
	Year 3		
	Year 4		
	Year 5		
	Onwards		
	Less: unearned interest	(            )	(            )
	<b>Analysed as:</b>		
	Non-current		
	Current		
IFRS 7:39(c)	The group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the group's treasury function.		
	<b>Commentary:</b>		
	<i>IFRS 16:47(b) states where a lessee does not present lease liabilities separately in the statement of financial position, the lessee shall disclose which line items in the statement of financial position include those liabilities.</i>		
	 See Note 2.3 in Appendix 2 for an illustrative example of the change in accounting policy for IFRIC agenda decision <i>Definition of a Lease—Substitution Rights (IFRS 16 Leases)</i> .		

Source	International GAAP Holdings Limited		
	<b>37. Trade and other payables</b>		
		31/12/2023	31/12/2022
		CU	CU
	Trade payables		
	Of which reverse factoring		
	Other taxation and social security		
	Other payables		
	Accruals	_____	_____
		_____	_____
IFRS 7:7	Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is __ days (excluding the reverse factoring arrangements) and __ days (including reverse factoring arrangements). For most suppliers no interest is charged on the trade payables for the first __ days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.		
	Furthermore, in order to ensure easy access to credit for its suppliers and facilitate early settlement, the group has entered into reverse factoring arrangements. The contractual arrangements in place permit the supplier to obtain the amounts billed less 0.5 per cent discount with the amounts paid by Bank A. The discount represents less than the trade discount for early repayment commonly used in the market. The group will repay Bank A the full invoice amount on the scheduled payment date as required by the invoice. As the arrangements do not permit the group to extend finance from Bank A by paying Bank A later than the group would have paid its supplier, the group considers amounts payable to Bank A should be classified as trade payables. The reverse factoring arrangements permit Bank A to early settle invoices equal to CU__ per month, the maximum amount used in a month during the year was CU__. At the year-end __ per cent of trade payables were amounts owed under these arrangements.		
IFRS 7:29 (a)	The directors consider that the carrying amount of trade payables approximates to their fair value.		
	<b>38. Other financial liabilities</b>		
		31/12/2023	31/12/2022
		CU	CU
	Contingent consideration		
	Financial guarantee contract	_____	_____
		_____	_____
	The group's major supplier, Entity A, borrowed CU__ million from Bank Z on 30 June 2022. The bank loan has a maturity of 3 years. The group guaranteed this bank loan and in the event of default of Entity A will have to pay Bank Z. The maximum group exposure is CU__ million and the given guarantee covers the time until maturity of underlying bank loan. The group received a premium of CU__. The carrying amount of the guarantee is established as the higher of:		
	<ul style="list-style-type: none"> <li>• Amount of loss allowance calculated in accordance with IFRS 9</li> <li>• Premium received less cumulative amortisation of the premium to date (according to group's policy amortisation is calculated on straight-line basis until maturity of the contract)</li> </ul>		

Source	International GAAP Holdings Limited																																																																																																
IFRS 7:35G(a)-(b)	At the end of the reporting period, the directors of the parent company have assessed the past due status of the debts under guarantee, the financial position of the debtors as well as the economic outlook of the industries in which the debtors operate, and concluded that there has not been a significant increase in the credit risk since initial recognition of the financial guarantee contract. Accordingly, the loss allowance for financial guarantee contract issued by the group is measured at an amount equal to 12-month ECL. Note 62(d)(ii) contains the credit risk rating grades for this financial guarantee contract.																																																																																																
IFRS 7:35G(c)	There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.  In both years the amount of loss allowance is lower than the premium less cumulative amortisation, therefore no loss allowance was recognised in profit or loss for the financial guarantee contract.																																																																																																
	<p><b>39. Provisions</b></p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">31/12/2023</th> <th style="text-align: right;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: right;">CU</th> <th style="text-align: right;">CU</th> </tr> </thead> <tbody> <tr> <td>Warranty provision</td> <td></td> <td></td> </tr> <tr> <td>Restructuring provision</td> <td></td> <td></td> </tr> <tr> <td>Restoration provision</td> <td></td> <td></td> </tr> <tr> <td>Other</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Current</td> <td></td> <td></td> </tr> <tr> <td>Non-current</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Warranty provision</td> <td style="text-align: right;">Restructuring provision</td> <td style="text-align: right;">Restoration provision</td> <td style="text-align: right;">Other</td> <td style="text-align: right;">Total</td> </tr> <tr> <td></td> <td style="text-align: right;">CU</td> <td style="text-align: right;">CU</td> <td style="text-align: right;">CU</td> <td style="text-align: right;">CU</td> <td style="text-align: right;">CU</td> </tr> <tr> <td></td> <td colspan="5"><b>At 1 January 2023</b></td> </tr> <tr> <td>IAS 37:84(a)</td> <td>Additional provision in the year</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>IAS 37:84(b)</td> <td>Utilisation of provision</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>IAS 37:84(c)</td> <td>On acquisition of subsidiary</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>IAS 37:84(e)</td> <td>Unwinding of discount</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>IAS 37:84(e)</td> <td>Adjustment for change in discount rate</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Exchange difference</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>IAS 37:84(a)</td> <td><b>At 31 December 2023</b></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td></td> <td></td> <td style="border-top: 3px double black;"></td> <td style="border-top: 3px double black;"></td> <td style="border-top: 3px double black;"></td> <td style="border-top: 3px double black;"></td> </tr> </tbody> </table>		31/12/2023	31/12/2022		CU	CU	Warranty provision			Restructuring provision			Restoration provision			Other						Current			Non-current							Warranty provision	Restructuring provision	Restoration provision	Other	Total		CU	CU	CU	CU	CU		<b>At 1 January 2023</b>					IAS 37:84(a)	Additional provision in the year					IAS 37:84(b)	Utilisation of provision					IAS 37:84(c)	On acquisition of subsidiary					IAS 37:84(e)	Unwinding of discount					IAS 37:84(e)	Adjustment for change in discount rate						Exchange difference					IAS 37:84(a)	<b>At 31 December 2023</b>										
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Source	International GAAP Holdings Limited
IAS 37:85(a)-(b)	The warranty provision represents management's best estimate of the group's liability under 12-month warranties granted on electrical products, based on past experience and industry averages for defective products.
IAS 37:85(a)-(b)	The restructuring provision relates to redundancy costs incurred on the disposal of [ <i>name of subsidiary</i> ] (see note 52). As at 31 December 2023, approximately 50 per cent of the affected employees had left the group's employment, with the remainder departing in January 2024.
IAS 37:85(a)-(b)	<p>The restoration provision has been created upon the enactment of new environmental legislation in [<i>A Land</i>] on 15 December 2023 which requires companies in [<i>A Land</i>] to clean up contaminated land by 30 June 2024 and bear the associated costs thereof. Management is in the process of clarifying certain aspects of the legislation and therefore the final assessment of costs that the parent company will need to incur may change materially based on the outcome of this process. Based on the current interpretation of the legislation, the directors have estimated a liability of CU__ million. In estimating the liability, the directors have made assumptions regarding the following: local site volume of contamination, proximity to approved landfill sites, technology available to decontaminate and costs required to dispose of specialised raw materials.</p> <p>[<i>Describe other provisions</i>]</p>
<p><b>Commentary:</b></p> <p><i>Notes 40 to 51 below set out detailed descriptions and reconciliations for each class of share capital and each component of equity, as required by IAS 1:79, IAS 1:106 and IAS 1:106A. IAS 1 permits some flexibility regarding the level of detail presented in the statement of changes in equity and these supporting notes. IAS 1 allows an analysis of other comprehensive income by item for each component of equity to be presented either in the statement of changes in equity or in the notes. For the purposes of the preparation of these illustrative financial statements, the group has elected to present the analysis of other comprehensive income in the notes.</i></p> <p><i>IAS 1 also allows that some of the details regarding items of other comprehensive income (income tax and reclassification adjustments) may be disclosed in the notes rather than in the statement of profit or loss and other comprehensive income. Entities will determine the most appropriate presentation for their circumstances – electing to present much of the detail in the notes (as we have done in these illustrative financial statements) ensures that the primary financial statements are not cluttered by unnecessary detail, but it does result in very detailed supporting notes.</i></p> <p><i>Whichever presentation is selected, entities will need to ensure that the following requirements are met:</i></p> <ul style="list-style-type: none"> <li>• <i>Detailed reconciliations are required for each class of share capital (in the statement of changes in equity or in the notes)</i></li> <li>• <i>Detailed reconciliations are required for each component of equity – separately disclosing the impact on each such component of (i) profit or loss, (ii) each item of other comprehensive income, and (iii) transactions with owners in their capacity as owners (in the statement of changes in equity or in the notes)</i></li> <li>• <i>The amount of income tax relating to each item of other comprehensive income should be disclosed (in the statement of profit or loss and other comprehensive income or in the notes)</i></li> <li>• <i>Reclassification adjustments should be presented separately from the related item of other comprehensive income (in the statement of profit or loss and other comprehensive income or in the notes)</i></li> </ul>	

Source	International GAAP Holdings Limited		
	<b>40. Share capital</b>		
		31/12/2023	
		Number	
		31/12/2022	
		Number	
IAS 1:79(a)	Authorised: __ million ordinary shares of CU__ each	_____	_____
IAS 1:79(a)	Issued and fully paid: <b>At 1 January __ million ordinary shares of CU__ each</b> Issued during the year Own shares acquired in the year <b>At 31 December __ million ordinary shares of CU__ each</b>	_____	_____
IAS 1:79(a)	[Give details of changes in share capital during the year] The parent company has one class of ordinary shares which carry no right to fixed income. Additionally the parent company has authorised, issued and fully paid __ million redeemable cumulative preference shares of CU__ each classified as liabilities. These shares do not carry voting rights. Further details are provided in note 32.		
IAS 1:79(b)	<b>41. Share premium account</b>	2023	2022
		CU	CU
	<b>Balance at 1 January</b> Premium arising on issue of equity shares Share issue costs	_____	_____
	<b>Balance at 31 December</b>	_____	_____
	 Under the Corporations Act 2001, Australian entities generally do not have a par value for issued shares and accordingly, Note 41 above may not be relevant.		
IAS 1:106(d)	<b>42. Own shares</b>	2023	2022
	<b>Balance at 1 January</b> Acquired in the year Disposed of on exercise of options [Other movement]	_____	_____
	<b>Balance at 31 December</b>	_____	_____
IAS 1:79(b)	The own shares reserve represents the cost of shares in International GAAP Holdings Limited purchased in the market and held by the International GAAP Holdings Limited Employee Benefit Trust to satisfy options under the group's share options plans (see note 57). The number of ordinary shares held by the employee benefit trust at 31 December 2023 was __ (2022: __).		



**Source International GAAP Holdings Limited**

**43. Revaluation reserves**

*Properties revaluation reserve*

The properties revaluation reserve arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the properties revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the properties revaluation reserve will not be reclassified subsequently to profit or loss.

Distributions from the properties revaluation reserve can be made where they are in accordance with the requirements of the parent company's constitution and company law. Amounts may also be effectively distributed out of the properties revaluation reserve as part of a share buy-back. Generally, there is no restriction on the payment of 'bonus shares' out of the properties revaluation reserve. However, the payment of cash distributions out of the reserve is restricted by the terms of the parent company's constitution. These restrictions do not apply to any amounts transferred to retained profits. The directors do not currently intend to make any distribution from the properties revaluation reserve.

IAS 1:90  
IAS 1:106(d)  
IAS 1:106A  
IAS 1:79(b)  
IAS 16:77(f)

Properties  
revaluation  
reserve  

---

CU

**Balance at 1 January 2022**

Revaluation decrease on land and buildings

Reversal of deferred tax liability on revaluation of land and buildings

**Balance at 1 January 2023**

Revaluation increase on land and buildings

Deferred tax liability arising on revaluation of land and buildings

Effect of change in tax rate

**Balance at 31 December 2023**

*Investments revaluation reserve*

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of:

- Investments in equity instruments designated as at FVTOCI, net of cumulative gain/loss transferred to retained earnings upon disposal
- Investments in debt instruments classified as at FVTOCI, net of cumulative loss allowance recognised on these investments and cumulative gain/loss reclassified to profit or loss upon disposal or reclassification of these investments



Source	International GAAP Holdings Limited		
IAS 1:106(d)	<b>44. Option premium on convertible notes reserve</b>		
		2023	2022
		CU	CU
	<b>Balance at 1 January</b>		
	Recognition of equity component of convertible loan notes (see note 33)		
	Deferred tax liability arising on recognition of equity component of convertible loan notes		
	<b>Balance at 31 December</b>		
IAS 1:79(b)	This reserve represents the equity component of convertible debt instruments (see note 33).		
IAS 1:106(d) IAS 1:106A	<b>45. Financial liabilities at FVTPL credit risk reserve</b>		
		2023	2022
		CU	CU
	<b>Balance at 1 January</b>		
IFRS 7:20(a)(i)	Fair value gain/(loss) on financial liabilities designated as at FVTPL attributable to changes in credit risk		
	Income tax relating to fair value gain/(loss) on financial liabilities designated as at FVTPL attributable to changes in credit risk		
	Transfer of credit risk reserve to retained earnings upon derecognition of related financial liabilities		
	<b>Balance at 31 December</b>		

Source	International GAAP Holdings Limited																								
	<p><b>46. Cash flow hedge reserve</b></p> <table border="1"> <thead> <tr> <th colspan="2">Foreign exchange risk</th> <th colspan="2">Interest rate risk</th> <th colspan="2">Commodity risk</th> <th colspan="2">Total</th> </tr> <tr> <th>2023</th> <th>2022</th> <th>2023</th> <th>2022</th> <th>2023</th> <th>2022</th> <th>2023</th> <th>2022</th> </tr> <tr> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> </tr> </thead> </table> <p><b>Balance at 1 January</b></p> <p>IFRS 7:24C(b)(i) IFRS 7:24E(a) Gain/(loss) arising on changes in fair value of hedging instruments during the period</p> <p>Income tax related to gains/ (losses) recognised in other comprehensive income during the period</p> <p>IFRS 7:24C(b)(iv) IFRS 7:24E(a) (Gain)/loss reclassified to profit or loss – hedged item has affected profit or loss</p> <p>IFRS 7:24C(b)(iv) IFRS 7:24E(a) (Gain)/loss reclassified to profit or loss – forecast transaction no longer expected to occur</p> <p>Income tax related to amounts reclassified to profit or loss</p> <p>IFRS 7:24E(a) Cumulative (gain)/loss transferred to initial carrying amount of hedged items</p> <p>Income tax related to amounts transferred to initial carrying amount of hedged item</p> <p><b>Balance at 31 December</b></p> <p>Of which:</p> <p>IFRS 7:24B(b)(ii) Balance related to continuing cash flow hedges</p> <p>IFRS 7:24B(b)(ii) Balance related to discontinued cash flow hedges</p> <p>IAS 1:79(b) IAS 1:82A The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction affects the profit or loss, or is included directly in the initial cost or other carrying amount of the hedged non-financial items (basis adjustment).</p> <p>IAS 1:106(d) IAS 1:79(b) IAS 1:82A <b>47. Cost of hedging reserve</b></p> <p>The cost of hedging reserve includes the effects of the following:</p> <ul style="list-style-type: none"> <li>• Changes in fair value of the time value of option when only the intrinsic value of the option is designated as the hedging instrument</li> <li>• Changes in fair value of the forward element of a forward contract when only the change in the value of the spot element of the forward contract is designated as the hedging instrument (consistent with the group's accounting policy to recognise non-designated component of forward contracts in equity)</li> <li>• Changes in fair value of the foreign currency basis spread of a financial instrument when the foreign currency basis spread of a financial instrument is excluded from the designation of that financial instrument as the hedging instrument (consistent with the group's accounting policy to recognise non-designated component of foreign currency derivative in equity)</li> </ul> <p>The changes in fair value of the time value of an option, forward element of a forward contract and foreign currency basis spread of a financial instrument, in relation to a transaction-related hedged item accumulated in the cost of hedging reserve, are reclassified to profit or loss only when the hedged transaction affects profit or loss, or included as a basis adjustment to the non-financial hedged item. The changes in fair value of the time value of an option, forward element of a forward contract and foreign currency basis spread of a financial instrument, in relation to a time-period related hedged item accumulated in the cash flow hedging reserve, are amortised to profit or loss on a rational basis over the term of the hedging relationship.</p>	Foreign exchange risk		Interest rate risk		Commodity risk		Total		2023	2022	2023	2022	2023	2022	2023	2022	CU	CU	CU	CU	CU	CU	CU	CU
Foreign exchange risk		Interest rate risk		Commodity risk		Total																			
2023	2022	2023	2022	2023	2022	2023	2022																		
CU	CU	CU	CU	CU	CU	CU	CU																		

**Source International GAAP Holdings Limited**

IFRS 7:24F

The changes in fair value of the [time value of an option/forward element of a forward contract/foreign currency basis spread of a financial instrument] and their related reclassification adjustments and amortisation per risk category is presented below:

	Foreign exchange risk		Interest rate risk		Commodity risk		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	CU	CU	CU	CU	CU	CU	CU	CU
<b>Balance at 1 January</b>								
Changes in fair value of the [time value of an option/forward element/foreign currency basis spread] in relation to transaction-related hedged items during the period								
Changes in fair value of the [time value of an option/forward element/foreign currency basis spread] in relation to time-period related hedged items during the period								
Income tax related to changes in fair value of [the time value of an option/forward element/foreign currency basis spread]								
(Gain)/loss arising on changes in fair value of [the time value of an option/forward element/foreign currency basis spread] in relation to transaction-related hedged items reclassified to profit or loss – hedged item has affected profit or loss								
(Gain)/loss arising on changes in fair value of [the time value of an option/forward element/foreign currency basis spread] in relation to transaction-related hedged items reclassified to profit or loss – forecast transaction no longer expected to occur								
Income tax related to amounts reclassified to profit or loss								
(Gain)/loss arising on changes in fair value of [the time value of an option/forward element/foreign currency basis spread] in relation to transaction-related hedged items transferred to initial carrying amount of hedged items								
Income tax related to amounts transferred to initial carrying amount of hedged item								
Amortisation to profit or loss of changes in fair value of [the time value of an option/forward element/foreign currency basis spread] in relation to time-period related hedged items								
(Gain)/loss arising on changes in fair value of [the time value of an option/forward element/foreign currency basis spread] in relation to reclassified to profit or loss – forecast transaction no longer expected to occur								
Income tax related to time-period related hedged items amortised/reclassified to profit or loss								
<b>Balance at 31 December</b>								

Source	International GAAP Holdings Limited		
IAS 1:106(d)) IAS 1:106A	<b>48. Foreign exchange translation reserve</b>		
		2023	2022
		CU	CU
	<b>Balance at 1 January</b>		
IFRS 7:24C(b)(i) IFRS 7:24E(a)	Gain/loss arising on changes in fair value of hedging instruments designated in net investment hedges		
	Income tax relating to gains/losses on hedges of net assets in foreign operations		
	Exchange differences on translating the net assets of foreign operations		
	Income tax relating to gains/losses arising on translating the net assets of foreign operations		
IFRS 7:24C(b)(iv) IFRS 7:24E(a)	Gain/loss on hedging instruments reclassified to profit or loss on disposal of foreign operations		
	Income tax related to gain/loss on hedging instruments reclassified to profit or loss on disposal of foreign operations		
	Gain/loss reclassified to profit or loss on disposal of foreign operations		
	Income tax related to gain/loss reclassified on disposal of foreign operations		
	<b>Balance at 31 December</b>		
	Of which:		
IFRS 7:24B(b)(ii)	Balance related to continuing net investment hedges		
IFRS 7:24B(b)(iii)	Balance related to discontinued net investment hedges		
	Balance related to retranslation of net assets in foreign operation		
IAS 1:106(d)	<b>49. Share-based payments reserve</b>		
			CU
	<b>Balance at 1 January 2022</b>		
	Credit to equity for equity-settled share-based payments		
	Deferred tax on share-based payments		
	<b>Balance at 1 January 2023</b>		
	Credit to equity for equity-settled share-based payments		
	Deferred tax on share-based payments		
	<b>Balance at 31 December 2023</b>		

Source	International GAAP Holdings Limited
IAS 1:106(d)	<p data-bbox="308 230 555 259"><b>50. Retained earnings</b></p> <p data-bbox="308 282 754 311"><b>Balance at 1 January 2022 – As restated</b> <span style="float: right;">CU</span></p> <p data-bbox="308 333 459 362">Dividends paid</p> <p data-bbox="308 385 531 414">Net profit for the year</p> <p data-bbox="308 436 1249 488">Other comprehensive income arising from measurement of defined benefit obligation net of income tax</p> <p data-bbox="308 510 1042 539">Adjustment arising from change in non-controlling interest (see note 51)</p> <hr/> <p data-bbox="308 600 600 629"><b>Balance at 1 January 2023</b></p> <p data-bbox="308 651 459 680">Dividends paid</p> <p data-bbox="308 703 531 732">Net profit for the year</p> <p data-bbox="308 754 1249 806">Other comprehensive income arising from measurement of defined benefit obligation net of income tax</p> <p data-bbox="308 828 1042 857">Adjustment arising from change in non-controlling interest (see note 51)</p> <hr/> <p data-bbox="308 918 643 947"><b>Balance at 31 December 2023</b></p> <hr/> <p data-bbox="308 1003 1425 1061">Included within retained earnings is an amount of CU__ million (2022: CU__ million) that represents unrealised profits arising on remeasurement of the group's investment properties.</p>

Source	International GAAP Holdings Limited			
IFRS 12:12(g) IFRS 12:B10-B11	<b>51. Non-controlling interests</b>	Summarised financial information in respect of each of the group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.	31/12/2023	31/12/2022
			CU	CU
	<b>Subsidiary A Limited</b>			
	Current assets			
	Non-current assets			
	Current liabilities			
	Non-current liabilities			
	Equity attributable to owners of the parent company			
	Non-controlling interests			
		31/12/2023	31/12/2022	
		CU	CU	
	Revenue			
	Expenses			
	Profit (loss) for the year			
	Profit (loss) attributable to owners of the parent company			
	Profit (loss) attributable to the non-controlling interests			
	<b>Profit (loss) for the year</b>			
	Other comprehensive income attributable to owners of the parent company			
	Other comprehensive income attributable to the non-controlling interests			
	<b>Other comprehensive income for the year</b>			
	Total comprehensive income attributable to owners of the parent company			
	Total comprehensive income attributable to the non-controlling interests			
	<b>Total comprehensive income for the year</b>			
	Dividends paid to non-controlling interests			
	Net cash inflow (outflow) from operating activities			
	Net cash inflow (outflow) from investing activities			
	Net cash inflow (outflow) from financing activities			
	<b>Net cash inflow (outflow)</b>			
	<i>[Include a similar table for each subsidiary that has a material non-controlling interest]</i>			
	Further information about non-controlling interests is given in note 20.			




Source	International GAAP Holdings Limited	CU
IAS 1:106(b)	<b>Balance at 1 January 2022</b>	
IAS 1:106(d)	Share of profit for the year	
IAS 1:106A	Payment of dividends	_____
	<b>Balance at 1 January 2023</b>	
	Share of profit for the year	
	Payment of dividends	
	Non-controlling interests arising on the acquisition of <i>[Acquisition B Limited]</i> (see note 53)	
	Additional non-controlling interests arising on disposal of interest in <i>[name of subsidiary]</i> (see note 20)	
	Non-controlling interest relating to outstanding vested share options held by the employees of <i>[Acquisition B Limited]</i> (i)	_____
	<b>Balance at 31 December 2023</b>	_____
	<p>(i) As at 31 December 2023, executives and senior employees of <i>[Acquisition B Limited]</i> held options over ___ ordinary shares of <i>[Acquisition B Limited]</i>, of which ___ will expire on 12 March 2025 and ___ will expire on 17 September 2025. These share options were issued by <i>[Acquisition B Limited]</i> before it was acquired by the group in the current year. All of the outstanding share options had vested by the acquisition date of <i>[Acquisition B Limited]</i>. CU__ represents the market-based measure of these share options measured in accordance with IFRS 2 at the acquisition date. Further details of the employee share option plan are provided in note 57.</p>	

Source	International GAAP Holdings Limited
	<p><b>52. Disposal of subsidiary</b></p>
IFRS 5:41	As referred to in note 13, on [date] the group disposed of its interest in [name of subsidiary].
IAS 7:40(d)	The net assets of [name of subsidiary] at the date of disposal were as follows:
	[date]
	CU
	Property, plant and equipment
	Inventories
	Trade receivables
	Bank balances and cash
	Retirement benefit obligation
	Deferred tax liability
	Current tax liability
	Trade payables
	Bank overdraft
	Attributable goodwill
	_____
	<b>Net assets disposed of</b>
	_____
	Gain on disposal
	_____
	<b>Total consideration</b>
	_____
	Satisfied by:
	Cash and cash equivalents
	Deferred consideration
IFRS 3:B64(f)	_____
IAS 7:40(a)	<b>Total consideration transferred</b>
	_____
	Net cash inflow arising on disposal:
IAS 7:40(b)	Consideration received in cash and cash equivalents
IAS 7:40(c)	Less: cash and cash equivalents disposed of
	_____
	_____
	There were no disposals of subsidiaries made in 2022.
	The deferred consideration will be settled in cash by the purchaser on or before [date].
	The impact of [name of subsidiary] on the group's results in the current and prior years is disclosed in note 13.
IFRS 12:19	The gain on disposal is included in the profit for the year from discontinued operations (see note 13).

Source	International GAAP Holdings Limited
	<p><b>53. Acquisition of subsidiaries</b></p> <p><b><i>[Acquisition A Limited]</i></b></p>
IFRS 3:B64(a)-(d)	<p>On [date], the group acquired 100 per cent of the issued share capital of [Acquisition A Limited], obtaining control of [Acquisition A Limited]. [Acquisition A Limited] is a [describe operations of entity acquired] and qualifies as a business as defined in IFRS 3 <i>Business Combinations</i>. [Acquisition A Limited] was acquired [provide primary reasons for acquisition of the entity].</p>
	<p><b>Commentary:</b></p> <p><i>The disclosures illustrated are also required for business combinations after the end of the reporting period but before the financial statements are authorised for issue unless the initial accounting for the acquisition is incomplete at the time the financial statements are authorised for issue. In such circumstances, the entity is required to describe which disclosures could not be made and the reasons why they could not be made.</i></p>
IFRS 3:B64(i) IAS 7:40(d)	<p>The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.</p>
	CU
	<p>Financial assets</p> <p>Inventory</p> <p>Property, plant and equipment</p> <p>Identifiable intangible assets</p> <p>Financial liabilities</p> <p>Deferred tax assets/(liabilities)</p> <p>Contingent liability</p> <p>Total identifiable assets acquired and liabilities assumed</p> <p>Goodwill</p>
	<p>_____</p> <p>_____</p> <p>_____</p>
	<p><b>Total consideration</b></p>
	<p>_____</p> <p>_____</p>
	<p>Satisfied by:</p> <p>    Cash</p> <p>    Equity instruments (___ ordinary shares of the parent company)</p> <p>    Contingent consideration arrangement</p>
IFRS 3:B64(f) IAS 7:40(a)	<p><b>Total consideration transferred</b></p>
	<p>_____</p> <p>_____</p>
	<p>Net cash outflow arising on acquisition:</p>
IAS 7:40(b)	<p>    Cash consideration</p>
IAS 7:40(c)	<p>    Less: cash and cash equivalent balances acquired</p>
	<p>_____</p> <p>_____</p>
IFRS 3:B64(h)	<p>The fair value of the financial assets includes receivables [describe type of receivables] with a fair value of CU__ million and a gross contractual value of CU__ million. The best estimate at acquisition date of the contractual cash flows not to be collected is CU__ million.</p>
IFRS 3:B64(j)	<p>A contingent liability of CU__ million has been recognised in respect of [provide description of nature of obligation]. We expect that the majority of this expenditure will be incurred in 2024 and that all will be incurred by the end of 2025. The potential undiscounted amount of all future payments that the group could be required to make in respect of this contingent liability is estimated to be between CU__ million and CU__ million.</p>

Source	International GAAP Holdings Limited																																		
IFRS 3:B64(e) & (k)	<p>The goodwill of CU__ million arising from the acquisition consists of <i>[describe factors that make up goodwill recognised]</i>. None of the goodwill is expected to be deductible for income tax purposes.</p> <p><b>Commentary:</b></p> <p><i>If the initial allocation of goodwill acquired in a business combination during the period cannot be completed before the end of the reporting period, the amount of the unallocated goodwill should be disclosed together with the reasons why that amount remains unallocated.</i></p>																																		
IFRS 3:B64(g)	<p>The fair value of the __ ordinary shares issued as part of the consideration paid for <i>[Acquisition A Limited]</i> (CU__ million) was determined on the basis of <i>[describe method for determining fair value]</i>.</p> <p>The contingent consideration arrangement requires <i>[describe conditions of the contingent consideration arrangement]</i>. The potential undiscounted amount of all future payments that International GAAP Holdings Limited could be required to make under the contingent consideration arrangement is between CU__ million and CU__ million.</p>																																		
IFRS 3:B64(g)	The fair value of the contingent consideration arrangement of CU__ million was estimated by applying <i>[describe method for estimating fair value]</i> .																																		
IFRS 3:B64(m)	Acquisition-related costs (included in administrative expenses) amount to CU__ million.																																		
IFRS 3:B64(q)	<i>[Name of entity acquired]</i> contributed CU__ million revenue and CU__ million to the group's profit for the period between the date of acquisition and the reporting date.																																		
IFRS 3:B64(q)	If the acquisition of <i>[name of entity acquired]</i> had been completed on the first day of the financial year, group revenues for the year would have been CU__ million and group profit would have been CU__ million.																																		
IFRS 3:B64(a)-(d)	<p><b><i>[Acquisition B Limited]</i></b></p> <p>On <i>[date]</i>, the group acquired 80 per cent of the issued share capital of <i>[Acquisition B Limited]</i>, thereby obtaining control of <i>[Acquisition B Limited]</i>. <i>[Acquisition B Limited]</i> is a <i>[describe operations of entity acquired]</i> and qualifies as a business as defined in IFRS 3. <i>[Acquisition B Limited]</i> was acquired <i>[provide primary reasons for acquisition of the entity]</i>.</p>																																		
IFRS 3:B64(i) IAS 7:40(d)	<p>The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right; vertical-align: bottom;">CU</td> </tr> <tr> <td>Financial assets</td> <td></td> </tr> <tr> <td>Inventory</td> <td></td> </tr> <tr> <td>Property, plant and equipment</td> <td></td> </tr> <tr> <td>Identifiable intangible assets</td> <td></td> </tr> <tr> <td>Financial liabilities</td> <td></td> </tr> <tr> <td>Total identifiable assets acquired and liabilities assumed</td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Goodwill</td> <td></td> </tr> <tr> <td>Non-controlling interest in 20 per cent of <i>[Acquisition B Limited]</i></td> <td></td> </tr> <tr> <td>Non-controlling interest – outstanding share options granted by <i>[Acquisition B Limited]</i></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td><b>Total consideration</b></td> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> </tr> <tr> <td>Satisfied by:</td> <td></td> </tr> <tr> <td>    Cash</td> <td></td> </tr> <tr> <td>    Equity instruments (__ ordinary shares of the parent company)</td> <td></td> </tr> <tr> <td>IFRS 3:B64(f) IAS 7:40(a)</td> <td> <p><b>Total consideration transferred</b></p> <p style="border-top: 1px solid black; border-bottom: 3px double black;"></p> </td> </tr> <tr> <td>IAS 7:40(b)</td> <td>Net cash outflow arising on acquisition:</td> </tr> <tr> <td>IAS 7:40(c)</td> <td> <p>Cash consideration</p> <p>Less: cash and cash equivalent balances acquired</p> <p style="border-top: 1px solid black; border-bottom: 3px double black;"></p> </td> </tr> </table>		CU	Financial assets		Inventory		Property, plant and equipment		Identifiable intangible assets		Financial liabilities		Total identifiable assets acquired and liabilities assumed		Goodwill		Non-controlling interest in 20 per cent of <i>[Acquisition B Limited]</i>		Non-controlling interest – outstanding share options granted by <i>[Acquisition B Limited]</i>		<b>Total consideration</b>		Satisfied by:		Cash		Equity instruments (__ ordinary shares of the parent company)		IFRS 3:B64(f) IAS 7:40(a)	<p><b>Total consideration transferred</b></p> <p style="border-top: 1px solid black; border-bottom: 3px double black;"></p>	IAS 7:40(b)	Net cash outflow arising on acquisition:	IAS 7:40(c)	<p>Cash consideration</p> <p>Less: cash and cash equivalent balances acquired</p> <p style="border-top: 1px solid black; border-bottom: 3px double black;"></p>
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Source	International GAAP Holdings Limited
IFRS 3:B67(a)	The initial accounting for the acquisition of <i>[Acquisition B Limited]</i> has only been provisionally determined at the end of the reporting period. For tax purposes, the tax values of <i>[Acquisition B Limited]</i> 's assets are required to be reset based on market values of the assets. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the directors' best estimate of the likely tax values.
IFRS 3:B64(h)	The fair value of the financial assets includes receivables <i>[describe type of receivables]</i> with a fair value of CU__ million and a gross contractual value of CU__ million. The best estimate at acquisition date of the contractual cash flows not to be collected are CU__ million.
IFRS 3:B64(e)&(k)	<p>The goodwill of CU__ million arising from the acquisition consists of <i>[describe factors that make up goodwill recognised]</i>. None of the goodwill is expected to be deductible for income tax purposes.</p> <p>The fair value of the __ ordinary shares issued as part of the consideration paid for <i>[Acquisition B Limited]</i> (CU__ million) was determined on the basis of <i>[describe method for determining fair value]</i>.</p>
IFRS 3:B64(o)	<p>The non-controlling interest (20 per cent ownership interest in <i>[Acquisition B Limited]</i>) recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to CU__. This fair value was estimated by applying an income approach. The following were the key model inputs used in determining the fair value:</p> <ul style="list-style-type: none"> <li>• Assumed discount rate of __ per cent</li> <li>• Assumed long-term sustainable growth rates of __ per cent to __ per cent</li> <li>• Assumed adjustments because of the lack of control or lack of marketability that market participants would consider when estimating the fair value of the non-controlling interests in <i>[Acquisition B Limited]</i></li> </ul> <p>All outstanding share options granted by <i>[Acquisition B Limited]</i> to its employees had vested by the acquisition date. These share options were measured in accordance with IFRS 2 at their market-based measure of CU__ and were included in the non-controlling interest in <i>[Acquisition B Limited]</i>. Methods and significant assumptions used in determining the market-based measure at the acquisition date are set out in note 57.</p>
IFRS 3:B64(m)	Acquisition-related costs (included in administrative expenses) amount to CU__ million.
IFRS 3:B64(q)	<i>[Name of entity acquired]</i> contributed CU__ million revenue and CU__ million to the group's profit for the period between the date of acquisition and the reporting date.
IFRS 3:B64(q)	If the acquisition of <i>[name of entity acquired]</i> had been completed on the first day of the financial year, group revenues for the year would have been CU__ million and group profit would have been CU__ million.
	<b>Commentary:</b>
IFRS 3:B65	<i>The disclosures illustrated should be given separately for each business combination except that certain disclosures may be disclosed in aggregate for business combinations that are individually immaterial.</i>
IFRS 3:B66	<i>The Standard also imposes identical disclosure requirements for business combinations that are effected after the reporting date but before the financial statements are authorised for issue.</i>

Source	International GAAP Holdings Limited																		
IAS 7:45	<p><b>54. Notes to the cash flow statement</b></p> <p><b><i>Cash and cash equivalents</i></b></p> <table border="1" data-bbox="308 320 1505 604"> <thead> <tr> <th></th> <th style="text-align: right;">31/12/2023</th> <th style="text-align: right;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: right;">CU</th> <th style="text-align: right;">CU</th> </tr> </thead> <tbody> <tr> <td>Cash and bank balances</td> <td></td> <td></td> </tr> <tr> <td>Bank overdrafts (see note 32)</td> <td></td> <td></td> </tr> <tr> <td>Cash and bank balances included in disposal group held for sale (see note 13)</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> </tbody> </table> <p>Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated reporting position as shown above.</p> <p>Cash and bank balances includes demand deposits of CU__ million (2022: CU nil million) that are required to be maintained as warranty and can be used only to settle future claims, if any, on the completed [Project X]. The contractual restriction on the use of demand deposits ends on 1 August 2024.</p>		31/12/2023	31/12/2022		CU	CU	Cash and bank balances			Bank overdrafts (see note 32)			Cash and bank balances included in disposal group held for sale (see note 13)					
	31/12/2023	31/12/2022																	
	CU	CU																	
Cash and bank balances																			
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Cash and bank balances included in disposal group held for sale (see note 13)																			
IAS 7:43	<p><b><i>Non-cash transactions</i></b></p> <p>Additions to buildings and equipment during the year amounting to CU__ million were financed by new leases. Additions of CU__ million in 2023 (2022: CU__ million) were acquired on deferred payment terms, the settlement of which are still outstanding at year end.</p>																		
IAS 7:44A-44E	<p><b><i>Changes in liabilities arising from financing activities</i></b></p> <p>The table below details changes in the group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the group's consolidated cash flow statement as cash flows from financing activities.</p>																		
	<div style="display: flex; align-items: center;">  <p style="color: green; font-size: 1.2em;">Australian entities commonly adopt the direct method of presentation of the statement of cash flows and in this case are additionally required to provide a reconciliation of the net cash flows from operating activities to profit or loss. An illustrative disclosure is included in Note 54 in Appendix 2.</p> </div>																		

Source	International GAAP Holdings Limited								
	Non-cash changes (restated)								
	1 January 2023	Financing cash flows (i)	Equity component of convertible loan notes	Acquisition of subsidiary (note 53)	Disposal of subsidiary (note 52)	Fair value adjustments (notes 11, 12 and 62)	New leases	Other changes (ii)	31 December 2023
	CU	CU	CU	CU	CU	CU	CU	CU	CU
Convertible loan notes (note 33)									
Perpetual notes (note 32)									
Bank loans (note 32)									
Loans from related parties (note 32)									
Lease liabilities (note 36)									
Bills of exchange (note 32)									
Redeemable preference shares (note 33)									
Interest rate swaps fair value hedging, cash flow hedging or economically hedging financing liabilities (note 34)									
Contingent consideration (note 38) (iii)									
<b>Total liabilities from financing activities</b>									
(i) The cash flows from bank loans, loans from related parties and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the cash flow statement.									
(ii) Other changes include interest accruals and payments.									
(iii) The contingent consideration arises on the acquisition of [Acquisition A Limited] (see note 53). The payment of contingent consideration will be presented as a financing cash flow of the group.									


Source	International GAAP Holdings Limited								
	Non-cash changes								
	1 January 2022	Financing cash flows (i)	Equity component of convertible loan notes	Acquisition of subsidiary (note 53)	Disposal of subsidiary (note 52)	Fair value adjustments (notes 11, 12 and 62)	New leases	Other changes (ii)	31 December 2022
	CU	CU	CU	CU	CU	CU	CU	CU	CU
Convertible loan notes (note 33)									
Perpetual notes (note 32)									
Bank loans (note 32)									
Loans from related parties (note 32)									
Lease liabilities (note 36)									
Bills of exchange (note 32)									
Redeemable preference shares (note 33)									
Interest rate swaps fair value hedging, cash flow hedging or economically hedging financing liabilities (note 34)									
<b>Total liabilities from financing activities</b>									

(i) The cash flows from bank loans, loans from related parties and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the cash flow statement.

(ii) Other changes include interest accruals and payments.

(iii) The contingent consideration arises on the acquisition of [Acquisition A Limited] (see note 53). The payment of contingent consideration will be presented as a financing cash flow of the group.



Source	International GAAP Holdings Limited	
	<b>55. Contingent liabilities</b>	
IAS 37:86(a) IAS 37:86(b)	During the reporting period, a customer of the group instigated proceedings against it for alleged defects in an electronic product which, it is claimed, were the cause of a major fire in the customer's premises on [date]. Total losses to the customer have been estimated at CU__ million and this amount is being claimed from the group.	
	The group's lawyers have advised that they do not consider that the claim has merit, and they have recommended that it be contested. No provision has been made in these financial statements as the group's management does not consider that there is any probable loss.	
	31/12/2023	31/12/2022
	CU	CU
IFRS 12:23(b)	Contingent liabilities incurred by the group arising from its interest in associates [disclose details]	
	group's share of associates' contingent liabilities	
	_____	_____
	_____	_____
	The amount disclosed represents the group's share of contingent liabilities of associates. The extent to which an outflow of funds will be required is dependent on the future operations of the associates being more or less favourable than currently expected.	
	<b>56. Operating lease arrangements</b>	
IFRS 16:89	Operating leases, in which the group is the lessor, relate to investment property owned by the group with lease terms of between __ to __ years, with a __ year extension option. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.	
IFRS 16:92(b)	The unguaranteed residual values do not represent a significant risk for the group, as they relate to property which is located in a location with a constant increase in value over the last __ years. The group did not identify any indications that this situation will change.	
IFRS 16:97	Maturity analysis of operating lease payments:	
	31/12/2023	31/12/2022
	CU	CU
	Year 1	
	Year 2	
	Year 3	
	Year 4	
	Year 5	
	Year 6 and onwards	
	_____	_____
	_____	_____
	<b>Total</b>	
IFRS 16:91	The following table presents the amounts reported in profit or loss:	
	31/12/2023	31/12/2022
	CU	CU
IFRS 16:90(b)	Lease income on operating leases	
IFRS 16:90(b)	Therein lease income relating to variable lease payments that do not depend on an index or rate	

## Source

## International GAAP Holdings Limited

IFRS 2:44  
IFRS 2:45(a)**57. Share-based payments*****Equity-settled share option plan***

The parent company has a share option plan for all employees of the group. In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, employees with more than \_\_ years' service with the group may be granted options to purchase ordinary shares.

Each employee share option converts into one ordinary share of the parent company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is calculated in accordance with the performance-based formula approved by shareholders at the previous annual general meeting and is subject to approval by the remuneration committee. The formula rewards employees to the extent of the group's and the individual's achievement judged against both qualitative and quantitative criteria from the following financial and customer service measures:

- Improvement in share price
- Improvement in net profit
- Improvement in return to shareholders
- Reduction in warranty claims
- Results of client satisfaction surveys
- Reduction in rate of staff turnover

Options are exercisable at a price equal to the average quoted market price of the parent company's shares on the date of grant. The vesting period is three years. If the options remain unexercised after a period of five years from the date of grant the options expire. Options are forfeited if the employee leaves the group before the options vest.

IFRS 2:45(b)

Details of the share options outstanding during the year are as follows:

	31/12/2023		31/12/2022	
	Number of share options	Weighted average exercise price (in CU)	Number of share options	Weighted average exercise price (in CU)
Outstanding at beginning of year				
Granted during the year				
Forfeited during the year				
Exercised during the year				
Expired during the year				
<b>Outstanding at the end of the year</b>				
<b>Exercisable at the end of the year</b>				

IFRS 2:45(c)-(d)  
IFRS 2:46  
IFRS 2:47(a)

The weighted average share price at the date of exercise for share options exercised during the period was \_\_. The options outstanding at 31 December 2023 had a weighted average exercise price of \_\_, and a weighted average remaining contractual life of \_\_ years. In 2023, options were granted on [dates]. The aggregate of the estimated fair values of the options granted on those dates is CU\_\_ million. In 2022, options were granted on [dates]. The aggregate of the estimated fair values of the options granted on those dates is CU\_\_ million. The inputs into the [specify model] model are as follows:

Source	International GAAP Holdings Limited			
		31/12/2023	31/12/2022	
	Weighted average share price	CU__	CU__	
	Weighted average exercise price	CU__	CU__	
	Expected volatility			
	Expected life	__ years	__ years	
	Risk-free rate	__ %	__ %	
	Expected dividend yields	__ %	__ %	
	Expected volatility was determined by calculating the historical volatility of the group's share price over the previous __ years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.			
IFRS 2:47(c)	During 2023, the group re-priced certain of its outstanding options. The strike price was reduced from CU__ to the then current market price of CU__. The incremental fair value of CU__ will be expensed over the remaining vesting period (two years). The group used the inputs noted above to measure the fair value of the old and new options.			
IFRS 2:51(a)	The group recognised total expenses of CU__ and CU__ related to equity-settled share-based payment transactions in 2023 and 2022 respectively.			
	<i>[The disclosure requirements for an LTIP plan are the same as a share option plan and should be inserted here if relevant]</i>			
IFRS 2:51(b)	<b>Cash-settled share-based payments</b>			
	The group issues to certain employees share appreciation rights (SARs) that require the group to pay the intrinsic value of the SAR to the employee at the date of exercise. The group has recorded liabilities of CU__ and CU__ in 2023 and 2022. Fair value of the SARs is determined by using the <i>[specify model]</i> model using the assumptions noted in the above table. The group recorded total expenses of CU__ and CU__ in 2023 and 2022, respectively. The total intrinsic value at 31 December 2023 and 2022 was CU__ and CU__, respectively.			
	<b>Employee share option plan of a subsidiary acquired in the current year</b>			
IFRS 2:45(a)	<i>[Acquisition B Limited]</i> has a share option plan for its executives and senior employees. The outstanding share options were not replaced and were still in existence at the date of acquisition of <i>[Acquisition B Limited]</i> .			
	Each employee share option of <i>[Acquisition B Limited]</i> converts into one ordinary share of <i>[Acquisition B Limited]</i> on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. All outstanding share options granted by <i>[Acquisition B Limited]</i> had been vested by the date when the group acquired <i>[Acquisition B Limited]</i> .			
	The following share-based payment arrangements were in existence during the current year:			
	Options series	Number	Expiry date	Market-based measure at the acquisition date of <i>[Acquisition B Limited]</i>
			Exercise price	
			CU	CU
	(1) Granted on 13 March 2022			
	(2) Granted on 18 September 2022			

Source	International GAAP Holdings Limited																							
IFRS 2:46 IFRS 2:47(a)	<p>All outstanding vested share options were measured in accordance with IFRS 2 at their market-based measure at the acquisition date. The weighted average market-based measure of the share options determined at the acquisition date of [Acquisition B Limited] is CU___. Options were priced using a [specify model] option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 5 years. To allow for the effects of early exercise, it was assumed that executives and senior employees would exercise the options after vesting date when the share price reaches three and a half times the exercise price.</p> <table border="1" data-bbox="1090 546 1505 904"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Option series</th> </tr> <tr> <th>Series 1</th> <th>Series 2</th> </tr> </thead> <tbody> <tr> <td>Acquisition date share price</td> <td>CU__</td> <td>CU__</td> </tr> <tr> <td>Weighted average exercise price</td> <td>CU__</td> <td>CU__</td> </tr> <tr> <td>Expected volatility</td> <td></td> <td></td> </tr> <tr> <td>Expected life</td> <td>__ years</td> <td>__ years</td> </tr> <tr> <td>Risk-free rate</td> <td>__ %</td> <td>__ %</td> </tr> <tr> <td>Expected dividend yields</td> <td>__ %</td> <td>__ %</td> </tr> </tbody> </table>		Option series		Series 1	Series 2	Acquisition date share price	CU__	CU__	Weighted average exercise price	CU__	CU__	Expected volatility			Expected life	__ years	__ years	Risk-free rate	__ %	__ %	Expected dividend yields	__ %	__ %
	Option series																							
	Series 1	Series 2																						
Acquisition date share price	CU__	CU__																						
Weighted average exercise price	CU__	CU__																						
Expected volatility																								
Expected life	__ years	__ years																						
Risk-free rate	__ %	__ %																						
Expected dividend yields	__ %	__ %																						
IFRS 2:45(d)	<p>No share options were granted or exercised after the group obtained control over [Acquisition B Limited]. The share options outstanding at 31 December 2023 had an exercise price of CU___ and a weighted average remaining contractual life of __ days.</p> <p><b>Other share-based payment plans</b></p> <p>The employee share purchase plans are open to almost all employees and provide for a purchase price equal to the daily average market price on the date of grant, less __ per cent. The shares can be purchased during a two-week period each year. The shares so purchased are generally placed in the employee share savings plan for a five-year period. Pursuant to these plans, the group issued __ ordinary shares in 2023, at weighted average share prices of ___. The discount of CU___ million will be expensed over the vesting period of __ years.</p>																							

**Source International GAAP Holdings Limited**



**58. Retirement benefit plans**

**Defined contribution plans**

The group operates defined contribution retirement benefit plans for all qualifying employees of its construction and leasing divisions in [A Land]. The assets of the plans are held separately from those of the group in funds under the control of trustees.

IAS 19:43

The employees of the group's subsidiary in [B Land] are members of a state-managed retirement benefit plan operated by the government of [B Land]. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund the benefits. The only obligation of the group with respect to the retirement benefit plan is to make the specified contributions.

IAS 19:53

The total expense recognised in profit or loss of CU\_\_ million (2022: CU\_\_ million) represents contributions payable to these plans by the group at rates specified in the rules of the plans. As at 31 December 2023, contributions of CU\_\_ million (2022: CU\_\_ million) due in respect of the current reporting period had not been paid over to the plans.

**Defined benefit plans**

IAS 19:139(a)

The group sponsors defined benefit plans for qualifying employees of its subsidiaries in [D Land] and previously for the employees of [name of entity]. The defined benefit plans are administered by a separate fund that is legally separated from the parent company. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the plan. The trustees of the pension fund are responsible for the investment policy with regard to the assets of the fund.

Under the plans, the employees are entitled to post-retirement yearly instalments amounting to \_\_ per cent of final salary on attainment of a retirement age of \_\_. The pensionable salary is limited to CU\_\_. The pensionable salary is the difference between the current salary of the employee and the state retirement benefit. In addition, the service period is limited to \_\_ years resulting in a maximum yearly entitlement (life-long annuity) of \_\_ per cent of final salary.

The defined benefit plans require contributions from employees. Contributions are in the following two forms; one is based on the number of years of service and the other one is based on a fixed percentage of salary of the employees. Employees can also make discretionary contributions to the plans.

IAS 19:139(b)

The plans in [D Land] typically expose the parent company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. The risk relating to benefits to be paid to the dependents of plan members is re-insured by an external insurance entity.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities, debt instruments and real estate. Due to the long-term nature of the plan liabilities, the trustees of the pension fund consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability but this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Source	International GAAP Holdings Limited																																				
IAS 19:144	<p>No other post-retirement benefits are provided to these employees.</p> <p>The most recent actuarial valuations of the plan assets and the present value of the defined benefit liability were carried out at 31 December 2023 by [name], Fellow of the Institute of Actuaries. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method.</p> <p>The principal assumptions used for the purposes of the actuarial valuations were as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center; border-bottom: 1px solid black;">31/12/2023</th> <th style="width: 20%; text-align: center; border-bottom: 1px solid black;">Valuation at 31/12/2022</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Key assumptions used:</b></td> </tr> <tr> <td>Discount rate(s)</td> <td style="text-align: center;">__ %</td> <td style="text-align: center;">__ %</td> </tr> <tr> <td>Expected rate(s) of salary increase</td> <td style="text-align: center;">__ %</td> <td style="text-align: center;">__ %</td> </tr> <tr> <td>Average longevity at retirement age for current pensioners*</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Male</td> <td style="text-align: center;">__ years</td> <td style="text-align: center;">__ years</td> </tr> <tr> <td style="padding-left: 20px;">Female</td> <td style="text-align: center;">__ years</td> <td style="text-align: center;">__ years</td> </tr> <tr> <td>Average longevity at retirement age for current employees (future pensioners)*</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Male</td> <td style="text-align: center;">__ years</td> <td style="text-align: center;">__ years</td> </tr> <tr> <td style="padding-left: 20px;">Female</td> <td style="text-align: center;">__ years</td> <td style="text-align: center;">__ years</td> </tr> <tr> <td colspan="3">Others [describe]</td> </tr> <tr> <td colspan="3">*Based on [D Land]'s standard mortality table with modifications to reflect expected changes in mortality/others [describe].</td> </tr> </tbody> </table>		31/12/2023	Valuation at 31/12/2022	<b>Key assumptions used:</b>			Discount rate(s)	__ %	__ %	Expected rate(s) of salary increase	__ %	__ %	Average longevity at retirement age for current pensioners*			Male	__ years	__ years	Female	__ years	__ years	Average longevity at retirement age for current employees (future pensioners)*			Male	__ years	__ years	Female	__ years	__ years	Others [describe]			*Based on [D Land]'s standard mortality table with modifications to reflect expected changes in mortality/others [describe].		
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IAS 19:135 IAS 19:120	<p>Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center; border-bottom: 1px solid black;">31/12/2023</th> <th style="width: 20%; text-align: center; border-bottom: 1px solid black;">31/12/2022</th> </tr> <tr> <td></td> <td style="text-align: center;">CU</td> <td style="text-align: center;">CU</td> </tr> </thead> <tbody> <tr> <td>Service cost:</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Current service cost</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Past service cost and (gain)/loss from settlements</td> <td></td> <td></td> </tr> <tr> <td>Net interest expense</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td colspan="3"><b>Components of defined benefit costs recognised in profit or loss</b></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> </tr> </tbody> </table> <p>Of the expense (service cost) for the year, CU__ million (2022: CU__ million) has been included in profit or loss as cost of sales and CU__ million (2022: CU__ million) has been included in administrative expenses. The net interest expense has been included within finance costs (see note 11). The remeasurement of the net defined benefit liability is included in other comprehensive income.</p>		31/12/2023	31/12/2022		CU	CU	Service cost:			Current service cost			Past service cost and (gain)/loss from settlements			Net interest expense			<b>Components of defined benefit costs recognised in profit or loss</b>																	
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Source	International GAAP Holdings Limited	
	Amounts recognised in other comprehensive income are as follows:	
	31/12/2023	31/12/2022
	CU	CU
	The return on plan assets (excluding amounts included in net interest expense)	
	Actuarial gains and losses arising from changes in demographic assumptions	
	Actuarial gains and losses arising from changes in financial assumptions	
	Actuarial gains and losses arising from experience adjustments	
	Others [ <i>describe</i> ]	
	Adjustments for restrictions on the defined benefit asset	
	<b>Remeasurement of the net defined benefit liability (asset)</b>	<b>Remeasurement of the net defined benefit liability (asset)</b>
	<b>Remeasurement of the net defined benefit liability (asset)</b>	<b>Remeasurement of the net defined benefit liability (asset)</b>
IAS 19:141	The amount included in the statement of financial position arising from the group's obligations in respect of its defined benefit retirement benefit plans is as follows:	
	31/12/2023	31/12/2022
	CU	CU
	Present value of defined benefit obligations	
	Fair value of plan assets	
	Funded status	
	Restrictions on asset recognised	
	Others [ <i>describe</i> ]	
	<b>Net liability arising from defined benefit obligation</b>	<b>Net liability arising from defined benefit obligation</b>
	<b>Net liability arising from defined benefit obligation</b>	<b>Net liability arising from defined benefit obligation</b>

Source	International GAAP Holdings Limited	
IAS 19:141	Movements in the present value of defined benefit obligations in the year were as follows:	
	31/12/2023	31/12/2022
	CU	CU
	Opening defined benefit obligation	
	Current service cost	
	Interest cost	
	Remeasurement (gains)/losses:	
	Actuarial gains and losses arising from changes in demographic assumptions	
	Actuarial gains and losses arising from changes in financial assumptions	
	Actuarial gains and losses arising from experience adjustments	
	Others [ <i>describe</i> ]	
	Contributions from plan participants	
	Past service cost	
	Losses/(gains) on curtailments	
	Liabilities extinguished on settlements	
	Liabilities assumed in a business combination	
	Exchange differences on foreign plans	
	Benefits paid	
	Others [ <i>describe</i> ]	
	<b>Closing defined benefit obligation</b>	
IAS 19:141	Movements in the fair value of plan assets in the year were as follows:	
	31/12/2023	31/12/2022
	CU	CU
	Opening fair value of plan assets	
	Interest income	
	Remeasurement gain/(loss):	
	The return on plan assets (excluding amounts included in net interest expense)	
	Others [ <i>describe</i> ]	
	Exchange differences on foreign plans	
	Contributions from the employer	
	Contributions from plan participants	
	Benefits paid	
	Assets acquired in a business combination	
	Assets distributed on settlements	
	Others [ <i>describe</i> ]	
	<b>Closing fair value of plan assets</b>	



Source	International GAAP Holdings Limited					
IAS 19:142	The major categories and fair values of plan assets at the end of the reporting period for each category are as follows:					
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	Quoted	Quoted	Unquoted	Unquoted	Total	Total
	CU	CU	CU	CU	CU	CU
	Cash and cash equivalents					
	Equity instruments					
	Consumer industry					
	Manufacturing industry					
	Energy and utilities					
	Financial institutions					
	Health and care					
	ICT and telecom					
	Equity instrument funds					
	_____	_____	_____	_____	_____	_____
	Subtotal equity					
	_____	_____	_____	_____	_____	_____
	Debt instruments					
	AAA					
	AA					
	A					
	BBB and lower					
	not rated					
	_____	_____	_____	_____	_____	_____
	Subtotal debt instruments					
	_____	_____	_____	_____	_____	_____
	Property					
	Retail					
	Offices					
	Residential					
	_____	_____	_____	_____	_____	_____
	Subtotal property					
	_____	_____	_____	_____	_____	_____
	Derivatives					
	Interest rate swaps					
	Forward foreign exchange contracts					
	_____	_____	_____	_____	_____	_____
	Subtotal derivatives					
	_____	_____	_____	_____	_____	_____
	Others <i>[describe]</i>					
	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____
	Derivatives are classified as Level 2 instruments and property as Level 3 instruments. It is the policy of the fund to use interest rate swaps to hedge its exposure to interest rate risk. It is the policy of the fund to cover __ per cent of the exposure to interest rate risk of the defined benefit obligation by the use of debt instruments in combination with interest rate swaps. This policy has been realised during the reporting and preceding period. Foreign currency exposures are fully hedged by the use of the forward foreign exchange contracts.					
IAS 19:143	The plan assets include ordinary shares of International GAAP Holdings Limited with a fair value of CU__ million (2022: CU__ million) and property occupied by a subsidiary of International GAAP Holdings Limited with a fair value of CU__ million (2022: CU__ million).					

Source	International GAAP Holdings Limited
IAS 19:145(a)-(b)	<p>Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.</p> <p>If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease (increase) by CU__ million (2022: CU__ million).</p> <p>If the expected salary growth increases (decreases) by 1 per cent, the defined benefit obligation would increase (decrease) by CU__ million (2022: CU__ million).</p> <p>If the life expectancy increases (decreases) by one year for both men and women, the defined benefit obligation would increase (decrease) by CU__ million (2022: CU__million).</p> <p>The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.</p>
IAS 19:145(c)	<p>In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.</p> <p>There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.</p>
IAS 19:146	<p>Each year an asset-liability matching (ALM) study is performed in which the consequences of the strategic investment policies are analysed in terms of risk-and-return profiles. Investment and contribution policies are integrated within this study.</p> <p>The main strategic choices that are formulated in the actuarial and technical policy document of the fund are:</p> <ul style="list-style-type: none"> <li>• Asset mix based on __ per cent equity instruments, __ per cent debt instruments and __ per cent investment property</li> <li>• Interest rate sensitivity caused by the duration of the defined benefit obligation should be reduced by __ per cent using debt instruments in combination with interest rate swaps</li> <li>• Maintaining an equity buffer that gives a __ per cent assurance that assets are sufficient within the next 12 months</li> </ul> <p>There has been no change in the processes used by the group to manage its risks from prior periods.</p>
IAS 19:147	<p>The group's subsidiaries should fund the cost of the entitlements expected to be earned on a yearly basis. Employees pay a fixed __ per cent of pensionable salary. The residual contribution (including back service payments) is paid by the entities of the group. The funding requirements are based on a local actuarial measurement framework. In this framework the discount rate is set on a risk free rate. Furthermore, premiums are determined on a current salary base. Additional liabilities stemming from past service due to salary increases (back-service liabilities) should be paid immediately to the plan. Apart from paying the costs of the entitlements the group's subsidiaries are not liable to pay additional contributions in case the plan does not hold sufficient assets. In that case the plan should take other measures to restore its solvency such as a reduction of the entitlements of the plan members.</p> <p>The average duration of the benefit obligation at the end of the reporting period is __ years (2022: __ years). This number can be subdivided into the duration related to:</p> <ul style="list-style-type: none"> <li>• Active members: __ years (2022: __ years)</li> <li>• Deferred members: __ years (2022: __ years)</li> <li>• Retired members: __ years (2022: __ years)</li> </ul> <p>The group expects to make a contribution of CU__ million (2022: CU__ million) to the defined benefit plans during the next financial year. The group is committed to paying into the plan for [X] future years, CU__ per annum in line with the agreed Schedule of Contributions.</p>


Source	International GAAP Holdings Limited			
IAS 20:39(b)	<b>59. Deferred income – government grant</b>		31/12/2023	31/12/2022
			CU	CU
	Staff training costs			
	Purchase of equipment			
	Current			
	Non-current			
	The staff training costs deferred income arises as a result of the benefit received from an interest-free government loan received on [date] (see note 32). The income will be offset against training costs to be incurred in 2024 (CU__) and 2025 (CU__).			
	The purchase of equipment deferred income arises as a result of a grant received on [date] to install energy efficient machinery for the production of [product X]. The income will be recognised in profit or loss on a straight line basis over the useful life of the related asset. There are no unfulfilled conditions or other contingencies attaching to this grant.			
	<b>60. Contract liabilities</b>			
		31/12/2023	31/12/2022	1/1/2022
		CU	CU	CU
	Arising from customer loyalty programme (i)			
	Amounts received in advance of delivery for internet sales (ii)			
	Maintenance services (iii)			
	Amounts related to construction contracts (iv)			
	Current			
	Non-current			
IFRS 15:117	(i) A contract liability arises in respect of the group's Maxi-Points Scheme as these points provide a benefit to customers that they would not receive without entering into a purchase contract and the promise to provide loyalty points to the customer is therefore a separate performance obligation. A contract liability is recognised for revenue relating to the loyalty points at the time of the initial sales transaction.			
IFRS 15:117	(ii) For internet sales, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. When the customer initially purchases the goods online, the transaction price received at that point by the group is recognised as contract liability until the goods have been delivered to the customer.			
IFRS 15:117	(iii) Revenue relating to maintenance services is recognised over time although the customer pays up-front in full for these services. A contract liability is recognised for revenue relating to the maintenance services at the time of the initial sales transaction and is released over the service period.			
IFRS 15:117	(iv) Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.			

Source	International GAAP Holdings Limited																								
	<p><b>Commentary:</b></p> <p><i>The balances as at 1 January 2022 are presented to satisfy the requirement in IFRS 15:116(a) to present the opening and closing balances of contract liabilities from contracts with customers.</i></p>																								
IFRS 15:118 IFRS 15:116(b) IFRS 15:116(c)	<p>There were no significant changes in the contract liability balances during the reporting period.</p> <p>The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.</p>																								
	<table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">31/12/2023</th> <th style="text-align: right;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: right;">CU</th> <th style="text-align: right;">CU</th> </tr> </thead> <tbody> <tr> <td>Arising from customer loyalty programme</td> <td></td> <td></td> </tr> <tr> <td>Amounts received in advance of delivery for internet sales</td> <td></td> <td></td> </tr> <tr> <td>Maintenance services</td> <td></td> <td></td> </tr> <tr> <td>Amounts related to construction contracts</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> </tbody> </table>		31/12/2023	31/12/2022		CU	CU	Arising from customer loyalty programme			Amounts received in advance of delivery for internet sales			Maintenance services			Amounts related to construction contracts								
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	<p><b>61. Refund liability</b></p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">31/12/2023</th> <th style="text-align: right;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: right;">CU</th> <th style="text-align: right;">CU</th> </tr> </thead> <tbody> <tr> <td>Refund liability</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> </tbody> </table>		31/12/2023	31/12/2022		CU	CU	Refund liability																	
	31/12/2023	31/12/2022																							
	CU	CU																							
Refund liability																									
IFRS 15:119(d) IFRS 15:126(a)	<p>The refund liability relates to customers' right to return products within 30 days of purchase. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.</p>																								
	<p><b>62. Financial Instruments</b></p>																								
	<p><b>Commentary:</b></p> <p><i>The following are examples of the types of disclosures that might be required in this area. The matters disclosed will be dictated by the circumstances of the individual entity, by the significance of judgements and estimates made to the results and financial position, and the information provided to key management personnel.</i></p>																								
IFRS 9:4.1.1 IFRS 9:4.2.1 IFRS 7:6 IFRS 7:7 IFRS 7:8 IFRS 7:25 IFRS 7:29(a) IFRS 13:97 IFRS 13:93(c) IFRS 13:97	<p><b>(a) Classes and categories of financial instruments and their fair values</b></p> <p>The following table combines information about:</p> <ul style="list-style-type: none"> <li>• Classes of financial instruments based on their nature and characteristics</li> <li>• The carrying amounts of financial instruments</li> <li>• Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value)</li> <li>• Fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed</li> </ul> <p>Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:</p> <ul style="list-style-type: none"> <li>• Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities</li> <li>• Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)</li> <li>• Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)</li> </ul>																								

Source	International GAAP Holdings Limited		
	<b>31 December 2023</b>		
	Financial assets		
	FVTPL – derivatives designated in hedge relationships	FVTPL – mandatorily measured	FVTOCI
	CU	CU	CU
Cash and bank balances (note 54)			
Investments (note 24)			
Finance lease receivables <sup>1</sup> (note 29)			
Trade and other receivables (note 31)			
Borrowings (note 32)			
Convertible loan notes (note 33)			
Derivative financial instruments (note 34)			
Trade and other payables (note 37)			
Lease liabilities <sup>2</sup> (note 36)			
Contingent consideration in business combination (note 38)			
	<b>31 December 2022</b>		
	Financial assets		
	FVTPL – derivatives designated in hedge relationships	FVTPL – mandatorily measured	FVTOCI
	CU	CU	CU
Cash and bank balances (note 54)			
Investments (note 24)			
Finance lease receivables <sup>1</sup> (note 29)			
Trade and other receivables (note 31)			
Borrowings (note 32)			
Convertible loan notes (note 33)			
Derivative financial instruments (note 34)			
Trade and other payables (note 37)			
Lease liabilities <sup>2</sup> (note 36)			
Contingent consideration in business combination (note 38)			
	1 The disclosure of the fair value hierarchy level is not required for finance lease receivables [IFRS 13:6]		
	2 The disclosure of the fair value, including the hierarchy level, is not required for lease liabilities [IFRS 7:29(d); IFRS 13:6]		

Carrying value						Fair value			
Financial assets		Financial liabilities				Level			
FVTOCI – designated	Amortised cost	FVTPL – designated	FVTPL – mandatorily measured	Amortised cost	Total	1	2	3	Total
CU	CU	CU	CU	CU	CU	CU	CU	CU	CU
						N/A	N/A	N/A	
						N/A	N/A	N/A	N/A

Carrying value						Fair value			
Financial assets		Financial liabilities				Level			
FVTOCI – designated	Amortised cost	FVTPL – designated	FVTPL – mandatorily measured	Amortised cost	Total	1	2	3	Total
CU	CU	CU	CU	CU	CU	CU	CU	CU	CU
						N/A	N/A	N/A	
						N/A	N/A	N/A	N/A

Source	International GAAP Holdings Limited			
IFRS 13:91	<b>(a)(i) Fair value of the group's financial assets and financial liabilities that are measured at fair value on a recurring basis</b>			
	Some of the group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).			
IFRS 13:93(d), (g)&(h)(i) IFRS 13:IE65(e)	<b>Financial assets/ financial liabilities</b>	<b>Valuation technique(s) and key input(s)</b>	<b>Significant unobservable input(s)</b>	<b>Relationship and sensitivity of unobservable inputs to fair value</b>
	1) Foreign currency forward contracts and interest rate swaps (note 34)	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
	2) Commodity options (note 34)	Black-Scholes model. The following variables were taken into consideration: current underlying price of the commodity, options strike price, time until expiration (expressed as a per cent of a year), implied volatility of the commodity and risk-free rate (RFR).	N/A	N/A
	3) Held-for-trading shares (note 24)	Quoted bid prices in an active market.	N/A	N/A
	4) Investments in unlisted shares (note 24)	Income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.	Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from __ to __ per cent (2022: __ to __ per cent).	The higher the revenue growth rate, the higher the fair value.  If the revenue growth was __ per cent higher/lower while all other variables were held constant, the carrying amount would increase/decrease by CU__ million (2022: increase/decrease by CU__ million).
			Long-term pre-tax operating margin taking into account management's experience and knowledge of market conditions of the specific industries, ranging from __ to __ per cent (2022: __ to __ per cent).	The higher the pre-tax operating margin, the higher the fair value.  If the pre-tax operating margin was __ per cent higher/lower while all other variables were held constant, the carrying amount would increase/decrease by CU__ million (2022: increase/decrease by CU__ million).
			Weighted average cost of capital, determined using a Capital Asset Pricing Model, ranging from __ to __ per cent (2022: __ to __ per cent).	The higher the weighted average cost of capital, the lower the fair value.  If the weighted average cost of capital was __ per cent higher/lower while all other variables were held constant, the carrying amount would decrease/increase by CU__ million (2022: decrease/increase by CU__ million).
			Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, ranging from __ to __ per cent (2022: __ to __ per cent).	The higher the discount, the lower the fair value.  If the discount was __ per cent higher/lower while all other variables were held constant, the carrying amount would decrease/increase by CU__ million (2022: decrease/increase by CU__ million).
	5) Listed corporate bond (note 24)	Quoted bid prices in an active market.	N/A	N/A
	6) Redeemable cumulative preference shares (note 32)	Discounted cash flow at a discount rate of __ per cent (2022: __ per cent) that reflects the group's current borrowing rate at the end of the reporting period.	N/A	N/A

Source	International GAAP Holdings Limited		
	7) Contingent consideration in a business combination (note 38)	Discounted cash flow method was used to capture the present value of the group arising from the contingent consideration.	<p>Discount rate of ___ per cent determined using a Capital Asset Pricing Model.</p> <p>The higher the discount rate, the lower the fair value. If the discount rate was ___ per cent higher/lower while all other variables were held constant, the carrying amount would decrease/increase by CU___ million (2022: decrease/increase by CU___ million).</p> <hr/> <p>Probability-adjusted revenues and profits, with a range from CU___ to CU___ and a range from CU___ to CU___ respectively.</p> <p>The higher the amounts of revenue and profit, the higher the fair value. If the revenue was ___ per cent higher/lower while all other variables were held constant, the carrying amount would increase/decrease by CU___ million (2022: increase/decrease by CU___ million).</p>
IFRS 13:93(c)	There were no transfers between Level 1 and 2 during the current or prior year.		
	<p><b>Commentary:</b></p> <p><i>For financial assets and financial liabilities that are categorised within the Level 3 fair value hierarchy, if changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would significantly change the fair value determined, an entity should state that fact and disclose the effect of those changes. The entity should also disclose how the effect of a change to reflect a reasonably possible alternative assumption was calculated.</i></p>		
IFRS 13:93(e)	<p><b>(a)(ii) Reconciliation of Level 3 fair value measurements of financial instruments</b></p>		
	<p>The following table only includes financial assets. The only financial liabilities measured subsequently at fair value on Level 3 fair value measurement represent contingent consideration relating to a business combination. No gain or loss for the year relating to this contingent consideration has been recognised in profit or loss.</p>		
	<p><b>Balance at 1 January 2022</b></p> <p>Total gains or losses:</p> <p>    in profit or loss</p> <p>    in other comprehensive income</p> <p>Purchases</p> <p>Issues</p> <p>Settlements</p> <p>Transfers out of Level 3</p> <p>Transfers into Level 3</p> <p><b>Balance at 1 January 2023</b></p> <p>Total gains or losses:</p> <p>    in profit or loss</p> <p>    in other comprehensive income</p> <p>Purchases</p> <p>Issues</p> <p>Settlements</p> <p>Transfers out of Level 3</p> <p>Transfers into Level 3</p> <p><b>Balance at 31 December 2023</b></p>	<p>Equity investments – unlisted shares</p> <hr/> <p>CU</p> <hr/> <hr/>	
IFRS 13:93(e)(ii)	All gains and losses for 2023 included in other comprehensive income relate to listed corporate bond and unquoted equities held at the reporting date and are reported as changes of 'Investment revaluation reserve' (see note 43).		



Source	International GAAP Holdings Limited																																	
	<p><b>Commentary:</b></p> <p><i>For recurring level 3 fair value measurements, an entity should disclose the amount of total unrealised gains or losses for the period included in profit or loss relating to those assets and liabilities held at the end of the reporting period, and the line item(s) in profit or loss in which those unrealised gains or losses are recognised.</i></p>																																	
IFRS 13:97	<b>(a)(iii) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)</b>																																	
IFRS 13:97 IFRS 13:93(d)	The fair value of the instruments classified as Level 1 (see above) was derived from quoted prices for that financial instrument. The fair value of the instruments classified as Level 2 (see above) was calculated using the discounted cash flow method. RFR adjusted by credit risk was used for discounting future cash flows. There were no financial instruments that are measured at amortised cost but for which fair value was disclosed classified as Level 3 either in current year or in prior year.																																	
	<b>(a)(iv) Financial liabilities designated as at FVTPL (with changes attributable to the change in credit risk being recognised in other comprehensive income)</b>																																	
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 10%; text-align: center; border-bottom: 1px solid black;">31/12/2023</th> <th style="width: 10%; text-align: center; border-bottom: 1px solid black;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> </tr> </thead> <tbody> <tr> <td>Total cumulative gain/(loss) on changes in fair value:</td> <td></td> <td></td> </tr> <tr> <td>– Cumulative gain/(loss) on changes in fair value attributable to changes in credit risk recognised in other comprehensive income (i)</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Cumulative gain/(loss) on changes in fair value recognised in profit or loss</td> <td></td> <td></td> </tr> <tr> <td>Cumulative gain/(loss) on changes in fair value attributable to changes in credit risk recognised in other comprehensive income:</td> <td></td> <td></td> </tr> <tr> <td>– Relating to financial liabilities derecognised during the year</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Difference between carrying amount and contractual amount at maturity:</td> <td></td> <td></td> </tr> <tr> <td>– Cumulative preference shares at fair value (note 32)</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>– Amount payable at maturity</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> </tr> </tbody> </table>		31/12/2023	31/12/2022		CU	CU	Total cumulative gain/(loss) on changes in fair value:			– Cumulative gain/(loss) on changes in fair value attributable to changes in credit risk recognised in other comprehensive income (i)			Cumulative gain/(loss) on changes in fair value recognised in profit or loss			Cumulative gain/(loss) on changes in fair value attributable to changes in credit risk recognised in other comprehensive income:			– Relating to financial liabilities derecognised during the year			Difference between carrying amount and contractual amount at maturity:			– Cumulative preference shares at fair value (note 32)			– Amount payable at maturity					
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IFRS 7:10(d)																																		
IFRS 7:10(b)																																		
	(i) The change in fair value attributable to change in credit risk is calculated as the difference between the total change in fair value of cumulative preference shares (CU_) and the change in fair value of cumulative redeemable preference shares due to change in market risk factors alone (CU_). The change in fair value due to market risk factors was calculated using benchmark interest yield curves as at the end of the reporting period holding credit risk margin constant. The fair value of cumulative redeemable preference shares was estimated by discounting future cash flows using quoted benchmark interest yield curves as at the end of the reporting period and by obtaining lender quotes for borrowings of similar maturity to estimate credit risk margin.																																	
IFRS 7:11(c)	A qualitative assessment of the terms of the cumulative preference shares and the matching interest rate swap (see note 34) indicates that the effects of changes in the cumulative preference shares' credit risk are not expected to be offset by changes in the fair value of the interest rate swap. Accordingly, management determines that presenting the effects of changes in the cumulative preference shares' credit risk in other comprehensive income would not create or enlarge an accounting mismatch in profit or loss.																																	

Source	International GAAP Holdings Limited
IFRS 7:10A IFRS 7:10(c)	<p><b>Commentary:</b></p> <p><i>If an entity has designated a financial liability as at FVTPL and is required to present all changes in the fair value of that liability (including the effects of changes in the credit risk of the liability) in profit or loss (because recognising changes in the credit risk of the liability in other comprehensive income would enlarge an accounting mismatch in profit or loss), it shall disclose:</i></p> <ul style="list-style-type: none"> <li>• <i>The amount of change, during the period and cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk of that liability (see above)</i></li> <li>• <i>The difference between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation (see above)</i></li> <li>• <i>A detailed description of the methodology(ies) used to determine whether presenting the effects of changes in a liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, and a detailed description of the economic relationship between the characteristics of the liability and the characteristics of the other financial instrument, when the effects of changes in the liability's credit risk are recognised in profit or loss</i></li> </ul>
IFRS 7:31	<p><b>(b) Financial risk management objectives</b></p> <p>The group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.</p> <p>The group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.</p> <p>The Corporate Treasury function reports quarterly to the group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.</p>
IFRS 7:33	<p><b>(c) Market risk</b></p> <p>The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below). The group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:</p> <ul style="list-style-type: none"> <li>• Forward foreign exchange contracts to hedge the exchange rate risk arising on the export of goods to [B Land] and [C Land]</li> <li>• Interest rate swaps to mitigate the risk of rising interest rates</li> <li>• Commodity option to mitigate the price risk of purchased inventory</li> <li>• Forward foreign exchange contracts to hedge the exchange rate risk arising on translation of the group's investment in foreign operation [name], which has the [currency] as its functional currency</li> </ul> <p>Market risk exposures are measured using value-at-risk (VaR) analysis supplemented by sensitivity analysis.</p>
IFRS 7:33(c)	<p>There has been no change to the group's exposure to market risks or the manner in which these risks are managed and measured.</p>
IFRS 7:41	<p><b>Value-at-risk (VaR) analysis</b></p> <p>The VaR measure estimates the potential loss in pre-taxation profit over a given holding period for a specified confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognising offsetting positions and correlations between products and markets. Risks can be measured consistently across all markets and products, and risk measures can be aggregated to arrive at a single risk number. The one-day 95 per cent VaR number used by the group reflects the 95 per cent probability that the daily loss will not exceed the reported VaR.</p>

Source	International GAAP Holdings Limited																																																																																												
	<p>VaR methodologies employed to calculate daily risk numbers include the historical and variance-covariance approaches. In addition to these two methodologies, Monte Carlo simulations are applied to the various portfolios on a monthly basis to determine potential future exposure.</p> <p>Historical VaR (95%, one-day) by risk type</p> <table border="1"> <thead> <tr> <th colspan="2">Average</th> <th colspan="2">Minimum</th> <th colspan="2">Maximum</th> <th colspan="2">Year end</th> </tr> <tr> <th>31/12/2023</th> <th>31/12/2022</th> <th>31/12/2023</th> <th>31/12/2022</th> <th>31/12/2023</th> <th>31/12/2022</th> <th>31/12/2023</th> <th>31/12/2022</th> </tr> <tr> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> </tr> </thead> <tbody> <tr> <td colspan="8">Foreign exchange</td> </tr> <tr> <td colspan="8">Interest rate</td> </tr> <tr> <td colspan="8">Diversification</td> </tr> <tr> <td colspan="8"><b>Total VaR exposure</b></td> </tr> </tbody> </table> <p>The group's VaR should be interpreted in light of the limitations of the methodologies used. These limitations include the following:</p> <ul style="list-style-type: none"> <li>• Historical data may not provide the best estimate of the joint distribution of risk factor changes in the future and may fail to capture the risk of possible extreme adverse market movements which have not occurred in the historical window used in the calculations</li> <li>• VaR using a one-day time horizon does not fully capture the market risk of positions that cannot be liquidated or hedged within one day</li> <li>• VaR using a 95 per cent confidence level does not reflect the extent of potential losses beyond that percentile</li> </ul> <p>These limitations and the nature of the VaR measure mean that the group can neither guarantee that losses will not exceed the VaR amounts indicated nor that losses in excess of the VaR amounts will not occur more frequently than once in 20 business days.</p> <p>While VaR captures the group's daily exposure to currency and interest rate risk, sensitivity analysis evaluates the impact of a reasonably possible change in interest or foreign currency rates over a year. The longer time frame of sensitivity analysis complements VaR and helps the group to assess its market risk exposures. Details of sensitivity analysis for foreign currency risk and for interest rate risk are set below.</p> <p><b>(c)(i) Foreign currency risk management</b></p> <p>The group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.</p> <p>The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:</p> <table border="1"> <thead> <tr> <th colspan="2"></th> <th colspan="2">Liabilities</th> <th colspan="2">Assets</th> </tr> <tr> <th>31/12/2023</th> <th>31/12/2022</th> <th>31/12/2023</th> <th>31/12/2022</th> <th>31/12/2023</th> <th>31/12/2022</th> </tr> <tr> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> </tr> </thead> <tbody> <tr> <td colspan="6">[Currency B]</td> </tr> <tr> <td colspan="6">[Currency C]</td> </tr> <tr> <td colspan="6">Other</td> </tr> </tbody> </table> <p><b>Foreign currency sensitivity analysis</b></p> <p>The group is mainly exposed to the currency of [B Land] ([Currency B]) and the currency of [C Land] ([Currency C]).</p> <p>The following table details the group's sensitivity to a __ per cent increase and decrease in currency units against the relevant foreign currencies. __ per cent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a __ per cent change in foreign currency rates.</p>	Average		Minimum		Maximum		Year end		31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	CU	CU	CU	CU	CU	CU	CU	CU	Foreign exchange								Interest rate								Diversification								<b>Total VaR exposure</b>										Liabilities		Assets		31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	CU	CU	CU	CU	CU	CU	[Currency B]						[Currency C]						Other					
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Source	International GAAP Holdings Limited																									
IFRS 7:40(c)	<p>The sensitivity analysis includes external loans as well as loans to foreign operations within the group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and other equity where currency units strengthens __ per cent against the relevant currency. For a __ per cent weakening of currency units against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.</p> <p>[Where the assumptions used have changed from previous years, include detail of and reasons for those changes]</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">[Currency B] impact</th> <th colspan="2" style="text-align: center;">[Currency C] impact</th> </tr> <tr> <th></th> <th style="text-align: center;">31/12/2023</th> <th style="text-align: center;">31/12/2022</th> <th style="text-align: center;">31/12/2023</th> <th style="text-align: center;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> </tr> </thead> <tbody> <tr> <td>IFRS 7:40(a)</td> <td>Profit or loss</td> <td style="text-align: center;">(i)</td> <td></td> <td style="text-align: center;">(iii)</td> </tr> <tr> <td>IFRS 7:40(a)</td> <td>Other equity</td> <td style="text-align: center;">(ii)</td> <td></td> <td style="text-align: center;">(iv)</td> </tr> </tbody> </table> <p>(i) This is mainly attributable to the exposure outstanding on [Currency B] receivables and payables in the group at the reporting date.</p> <p>(ii) This is the result of the changes in fair value of derivative instruments designated as cash flow hedges and net investment hedges.</p> <p>(iii) This is mainly attributable to the exposure to outstanding [Currency C] payables at the reporting date.</p> <p>(iv) This is mainly as a result of the changes in fair value of derivative instruments designated as cash flow hedges.</p>		[Currency B] impact		[Currency C] impact			31/12/2023	31/12/2022	31/12/2023	31/12/2022		CU	CU	CU	CU	IFRS 7:40(a)	Profit or loss	(i)		(iii)	IFRS 7:40(a)	Other equity	(ii)		(iv)
	[Currency B] impact		[Currency C] impact																							
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IFRS 7:40(a)	Profit or loss	(i)		(iii)																						
IFRS 7:40(a)	Other equity	(ii)		(iv)																						
IFRS 7:33(c)	<p>The group's sensitivity to foreign currency has decreased during the current year mainly due to the disposal of [Currency B] denominated investments and the reduction in [Currency B] sales in the last quarter of the financial year which has resulted in lower [Currency B] denominated trade receivables.</p>																									
IFRS 7:42	<p>In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.</p> <p>[Currency B] denominated sales are seasonal with lower sales volumes in the last quarter of the financial year, which results in a reduction in [Currency B] receivables at year end.</p> <p>In addition, the change in equity due to a __ per cent change in the currency units against all exchange rates for the translation of net investment hedging instruments would be a decrease of CU__ million (2022: CU__ million). However, there would be no net effect on equity because there would be an offset in the currency translation of the foreign operation.</p>																									
IFRS 7:22A IFRS 7:22B IFRS 7:33-34	<p><b>Foreign exchange forward contracts</b></p> <p>It is the policy of the group to enter into foreign exchange forward contracts to manage the foreign currency risk associated with anticipated sales and purchase transactions out to 6 months within __ per cent to __ per cent of the exposure generated. Basis adjustments are made to the initial carrying amounts of inventories when the anticipated purchases take place.</p> <p>In the current year, the group has designated certain forward contracts as a hedge of its net investment in [name of foreign operation], which has [Currency B] as its functional currency. The group's policy has been reviewed and, due to the increased volatility in [Currency B], it was decided to hedge up to 50 per cent of the net assets of the [name of foreign operation] for foreign currency forward risk arising on translation of the foreign operation. The group utilises a rollover hedging strategy, using contracts with terms of up to 6 months. Upon the maturity of a forward contract, the group enters into a new contract designated as a separate hedging relationship.</p>																									
IFRS 7:22B	<p>For hedges of highly probable forecast sales and purchases, as the critical terms (i.e. the notional amount, life and underlying) of the foreign exchange forward contracts and their corresponding hedged items are the same, the group performs a qualitative assessment of effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates. The group uses the hypothetical derivative method for the hedge effectiveness assessment and measurement of hedge ineffectiveness. As for the hedge of the net investment in [name of foreign operation], the group assesses effectiveness by comparing the nominal amount of the net assets designated in the hedge relationship with the nominal amount of the hedging instruments. This is a simplified approach because the currency of the exposure and hedging instruments perfectly match and the group excludes from the designation the foreign currency basis spread.</p>																									

**Source International GAAP Holdings Limited**

IFRS 7:23C  
IFRS 7:23E

The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the group's own credit risk on the fair value of the forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness emerged from these hedging relationships.

IFRS 7:24A(a)  
IFRS 7:24A(c)-(d)

The following tables detail the foreign currency forward contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items. Foreign currency forward contract assets and liabilities are presented in the line 'Derivative financial instruments' (either as assets or as liabilities) within the statement of financial position (see note 34 for further details):

Hedging instruments - Outstanding contracts	Average exchange rate		Notional value: Foreign currency		Notional value: Local currency		Change in fair value for recognising hedge ineffectiveness		Carrying amount of the hedging instruments assets/(liabilities)	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	[rate]	[rate]	[FC]	[FC]	CU	CU	CU	CU	CU	CU

**Cash flow hedges**

**Buy [Currency B]**

Less than 3 months

3-6 months

**Sell [Currency B]**

Less than 3 months

**Buy [Currency C]**

Less than 3 months

**Net investment  
hedges**

**Sell [Currency B]**

3-6 months

Source	International GAAP Holdings Limited						
IFRS 7:24B(b)	Hedged items	Change in value used for calculating hedge ineffectiveness		Balance in cash flow hedge reserve/foreign currency translation reserve for continuing hedges		Balance in cash flow hedge reserve/foreign currency translation reserve arising from hedging relationships for which hedge accounting is no longer applied	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
		CU	CU	CU	CU	CU	CU
	<b>Cash flow hedges</b>						
	Forecast sales (i)						
	Forecast purchases (ii)						
	<b>Net investment hedges</b>						
	Investment in [name of foreign operation] (iii)						
	Investment in [name of foreign operation] (iii)						
	(i) The group expects to supply goods to customers in [B Land]. The expected sales are highly probable. The group has entered into foreign exchange forward contracts (for terms not exceeding three months) to hedge the exchange rate risk arising from these anticipated future transactions. It is anticipated that the sales will take place during the first three months of the next financial year, at which time the amount deferred in equity will be reclassified to profit or loss.						
	(ii) The group expects to purchase raw materials from suppliers in [B Land] and [C Land]. The expected purchases are highly probable. The group has entered into foreign exchange forward contracts (for terms not exceeding six months) to hedge the exchange rate risk arising from these anticipated future purchases.  As at 31 December 2023, the aggregate amount of gains under foreign exchange forward contracts deferred in the cash flow hedge reserve relating to these anticipated future purchase transactions is CU__ million (2022: gains of CU__ million). It is anticipated that the purchases will take place during the first six months of the next financial year at which time the amount deferred in equity will be removed from equity and included in the carrying amount of the raw materials. It is anticipated that the raw materials will be converted into inventory and sold within 12 months after purchase.						
	(iii) The group had, in previous years, hedged its investment in [name of foreign operation] against the foreign currency risk arising from the translation of [name of foreign operation]'s net assets from [Currency A] into the group's functional currency. However, the group ceased to hedge this investment in 2018 based on management's expectation of the continued strength of [Currency A]. The investment in [name of foreign operation] was fully disposed of in the current year and the cumulative amount arising from the previous hedging relationships which was deferred in equity was reclassified to profit or loss on disposal.						

Source	International GAAP Holdings Limited																																																																								
IFRS 7:24C(b)	<p>The following table details the effectiveness of the hedging relationships and the amounts reclassified from hedging reserve to profit or loss.</p> <p><b>31/12/2023</b></p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: center;">Change in the fair value of hedging instrument recognised in OCI</th> <th style="text-align: center;">Hedge ineffectiveness recognised in profit or loss</th> <th style="text-align: center;">Line item in profit or loss in which hedge ineffectiveness is included</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> <th></th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Cash flow hedges</b></td> </tr> <tr> <td>Forecast sales</td> <td></td> <td></td> <td>Other gains and losses</td> </tr> <tr> <td>Forecast purchases</td> <td></td> <td></td> <td>Other gains and losses</td> </tr> <tr> <td colspan="4"><hr/></td> </tr> <tr> <td colspan="4"><b>Net investment hedges</b></td> </tr> <tr> <td>Investment in <i>[name of foreign operation]</i></td> <td></td> <td></td> <td>N/A</td> </tr> <tr> <td>Investment in <i>[name of foreign operation]</i></td> <td></td> <td></td> <td>N/A</td> </tr> </tbody> </table> <p><b>31/12/2022</b></p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: center;">Change in the fair value of hedging instrument recognised in OCI</th> <th style="text-align: center;">Hedge ineffectiveness recognised in profit or loss</th> <th style="text-align: center;">Line item in profit or loss in which hedge ineffectiveness is included</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> <th></th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Cash flow hedges</b></td> </tr> <tr> <td>Forecast sales</td> <td></td> <td></td> <td>Other gains and losses</td> </tr> <tr> <td>Forecast purchases</td> <td></td> <td></td> <td>Other gains and losses</td> </tr> <tr> <td colspan="4"><hr/></td> </tr> <tr> <td colspan="4"><b>Net investment hedges</b></td> </tr> <tr> <td>Investment in <i>[name of foreign operation]</i></td> <td></td> <td></td> <td>N/A</td> </tr> <tr> <td>Investment in <i>[name of foreign operation]</i></td> <td></td> <td></td> <td>N/A</td> </tr> </tbody> </table>		Change in the fair value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss in which hedge ineffectiveness is included		CU	CU		<b>Cash flow hedges</b>				Forecast sales			Other gains and losses	Forecast purchases			Other gains and losses	<hr/>				<b>Net investment hedges</b>				Investment in <i>[name of foreign operation]</i>			N/A	Investment in <i>[name of foreign operation]</i>			N/A		Change in the fair value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss in which hedge ineffectiveness is included		CU	CU		<b>Cash flow hedges</b>				Forecast sales			Other gains and losses	Forecast purchases			Other gains and losses	<hr/>				<b>Net investment hedges</b>				Investment in <i>[name of foreign operation]</i>			N/A	Investment in <i>[name of foreign operation]</i>			N/A
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IFRS 7:23F	<p>(i) At the start of the third quarter of 2023, the group reduced its forecasts on sales of electronic equipment to <i>[B Land]</i> due to increased local competition and higher shipping costs. The group had previously hedged CU__ million of future sales of which CU__ are no longer expected to occur, and CU__ remain highly probable. Accordingly, the group has reclassified CU__ of gains on foreign currency forward contracts relating to forecast transactions that are no longer expected to occur from the cash flow hedging reserve to profit or loss.</p>																																																																								

Cost of hedging recognised in OCI	Amount from cash flow hedge reserve transferred to inventory	Amount from cost of hedging reserve transferred to inventory	Amount reclassified from cash flow hedge reserve due to hedged item affecting profit or loss	Amount reclassified from cash flow hedge reserve due to hedged future cash flows being no longer expected to occur (i)	Amount reclassified from cost of hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
CU	CU	CU	CU	CU	CU	
						Revenue
						N/A
						Profit for the year from discontinued operations

Cost of hedging recognised in OCI	Amount from cash flow hedge reserve transferred to inventory	Amount from cost of hedging reserve transferred to inventory	Amount reclassified from cash flow hedge reserve due to hedged item affecting profit or loss	Amount reclassified from cash flow hedge reserve due to hedged future cash flows being no longer expected to occur (i)	Amount reclassified from cost of hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
CU	CU	CU	CU	CU	CU	
						Revenue
						N/A
						Profit for the year from discontinued operations



Source	International GAAP Holdings Limited
	<p><b>Commentary:</b></p> <p><i>The tables above provide an example of summary quantitative data about exposure to foreign exchange risks at the end of the reporting period that an entity may provide internally to key management personnel. Other presentations may also be appropriate.</i></p>
IFRS 7:33-34	<p><b>(c)(ii) Interest rate risk management</b></p> <p>The group is exposed to interest rate risk because entities in the group borrow funds at both fixed and floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring the most cost-effective hedging strategies are applied.</p> <p>The group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.</p> <p>The group is exposed to the following risk-free rates: [SOFR, EURIBOR, SONIA]. The exposures arise on derivatives and non-derivative financial assets and liabilities (e.g. bills of exchange, debt and leases).</p> <p>Some of the group cash flow and fair value hedge relationships were affected by the interest rate benchmark reform. All the affected hedged items and hedging instruments were transitioned to risk-free rates. The hedge documentation has been amended accordingly.</p>
IFRS 7:34(a) IFRS 7:40(b)	<p><b>Interest rate sensitivity analysis</b></p> <p>The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A __ per cent increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.</p>
IFRS 7:40(c)	<p><i>[Where the assumptions used have changed from previous years, include detail of and reasons for those changes]</i></p>
IFRS 7:40(a)	<p>If interest rates had been __ per cent higher/lower and all other variables were held constant, the group's:</p> <ul style="list-style-type: none"> <li>• Profit for the year ended 31 December 2023 would decrease/increase by CU__ million (2022: decrease/increase by CU__ million). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings</li> <li>• Other comprehensive income would decrease/increase by CU__ million (2022: decrease/increase by CU__ million) mainly as a result of the changes in the fair value of investment in corporate bonds classified as at FVTOCI</li> </ul>
IFRS 7:33(c)	<p>The group's sensitivity to interest rates has decreased during the current year mainly due to the reduction in variable rate debt instruments and the increase in interest rate swaps to swap floating rate debt to fixed rate debt.</p>
IFRS 7:22A IFRS 7:22B IFRS 7:33-34	<p><b>Interest rate swap contracts</b></p> <p>Under interest rate swap contracts, the group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.</p>
IFRS 7:22B IFRS 7:23D IFRS 7:23E	<p>As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the group's own credit risk on the fair value of the interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates. No other sources of ineffectiveness emerged from these hedging relationships.</p>
IFRS 7:23B IFRS 7:24A(b)	<p>The following tables detail various information regarding interest rate swap contracts outstanding at the end of the reporting period and their related hedged items. Interest rate swap contract assets and liabilities are included in note 34.</p>

Source	International GAAP Holdings Limited																																																																																															
IFRS 7:24A(a) IFRS 7:24A(c)-(d)	<p><b>Cash flow hedges</b></p> <p><u>Hedging instruments</u></p> <table border="1"> <thead> <tr> <th rowspan="3">– outstanding receive floating, pay fixed contracts</th> <th colspan="2">Average contracted fixed interest rate</th> <th colspan="2">Notional principal value</th> <th colspan="2">Carrying amount of the hedging instrument assets/(liabilities)</th> <th colspan="2">Change in fair value used for calculating hedge ineffectiveness</th> </tr> <tr> <th>31/12/2023</th> <th>31/12/2022</th> <th>31/12/2023</th> <th>31/12/2022</th> <th>31/12/2023</th> <th>31/12/2022</th> <th>31/12/2022</th> <th>31/12/2022</th> </tr> <tr> <th>%</th> <th>%</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> </tr> </thead> <tbody> <tr> <td>Less than 1 year</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1-2 years</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2-5 years</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>5 years +</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p><u>Hedged items</u></p> <table border="1"> <thead> <tr> <th rowspan="3">Hedged items</th> <th colspan="2">Nominal amount of the hedged item assets/(liabilities)</th> <th colspan="2">Change in value used for calculating hedge ineffectiveness</th> <th colspan="2">Balance in cash flow hedge reserve for continuing hedges</th> <th colspan="2">Balance in cash flow hedge reserve arising from hedging relationships for which hedge accounting is no longer applied</th> </tr> <tr> <th>31/12/2023</th> <th>31/12/2022</th> <th>31/12/2023</th> <th>31/12/2022</th> <th>31/12/2023</th> <th>31/12/2022</th> <th>31/12/2023</th> <th>31/12/2022</th> </tr> <tr> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> </tr> </thead> <tbody> <tr> <td>Variable rate borrowings</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	– outstanding receive floating, pay fixed contracts	Average contracted fixed interest rate		Notional principal value		Carrying amount of the hedging instrument assets/(liabilities)		Change in fair value used for calculating hedge ineffectiveness		31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2022	31/12/2022	%	%	CU	CU	CU	CU	CU	CU	Less than 1 year									1-2 years									2-5 years									5 years +									Hedged items	Nominal amount of the hedged item assets/(liabilities)		Change in value used for calculating hedge ineffectiveness		Balance in cash flow hedge reserve for continuing hedges		Balance in cash flow hedge reserve arising from hedging relationships for which hedge accounting is no longer applied		31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	CU	CU	CU	CU	CU	CU	CU	CU	Variable rate borrowings								
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IFRS 7:22A IFRS 7:23A	<p>The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is SOFR. The group will settle the difference between the fixed and floating interest rate on a net basis.</p> <p>All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.</p>																																																																																															

**Source International GAAP Holdings Limited**

IFRS 7:24A(a)  
IFRS 7:24A(c)-(d)

**Fair value hedges**

Hedging instruments  
– outstanding receive  
fixed pay floating  
contracts

Notional principal amount		Carrying amount of the hedging instrument assets/(liabilities)		Change in fair value used for recognising hedge ineffectiveness	
31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
CU	CU	CU	CU	CU	CU

Less than 1 year

[describe]


IFRS 7:24B(a)

Hedged item

Carrying amount of the hedged item assets/(liabilities)		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item: debit/(credit)		Change in fair value used for recognising hedge ineffectiveness		Accumulated amount of fair value hedge adjustments in SOFP for hedged items that have ceased to be adjusted for hedging gains and losses	
31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
CU	CU	CU	CU	CU	CU	CU	CU

Fixed rate borrowings

IFRS 7:24C(a)

The following table details the hedge ineffectiveness arising from the hedging relationship and the line item in profit or loss in which the hedge ineffectiveness is included:

Hedged item	Amount of hedge ineffectiveness recognised in profit or loss (P/L)		Line item in P/L in which hedge ineffectiveness is included
	31/12/2023	31/12/2022	
	CU	CU	
Fixed rate borrowings			Other gains and losses

**Commentary:**

The tables above provide an example of summary quantitative data about exposure to foreign exchange risks at the end of the reporting period that an entity may provide internally to key management personnel. Other presentations may also be appropriate.

Source	International GAAP Holdings Limited																																																													
IFRS 7:33-34	<p><b>(c)(iii) Commodity price risk</b></p> <p>Commodity price risk in the group primarily arises from price fluctuations and the availability of [<i>type of commodity</i>]. The group may enter into derivative transactions to limit these risks. Hedging activities are evaluated regularly to align with group expectations about the price changes and defined risk appetite; ensuring the most cost-effective hedging strategies are applied.</p>																																																													
IFRS 7:40	<p><b>Commodity price sensitivity analysis</b></p> <p>If the commodity prices of the hedged commodity had been __ per cent higher (lower) as of December 2023, profit after tax would have been CU__ million (2022: CU__ million) higher (lower).</p> <p>If the commodity prices of the hedging transactions accounted for using cash flow hedge accounting had been __ per cent higher (lower) as of December 2023, equity would have been CU__ million (2022: CU__ million) higher (lower).</p> <p><b>Commodity options</b></p> <p>It is the policy of the group to enter into commodity options to manage the commodity price risk associated with anticipated purchase transactions out to 24 months. The group policy is to hedge up to 80 per cent of exposure generated within 3 months, about 60 per cent of exposure with maturity between 3 months and 12 months and no more than 40 per cent of exposure generated in 2 years. Basis adjustments are made to the initial carrying amounts of inventories when the anticipated purchases take place. The group always designates the intrinsic value of the options.</p> <p>In the current year, the group has designated certain commodity options as a cash flow hedge of highly probable purchases. Because the critical terms (i.e. the quantity, maturity and underlying) of the commodity option and their corresponding hedged items are the same, the group performs a qualitative assessment of effectiveness and it is expected that the intrinsic value of the commodity option and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the price of underlying commodity if the price of the commodity increases above the strike price of the derivative.</p> <p>The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the group's own credit risk on the fair value of the option contracts, which is not reflected in the fair value of the hedged item and if the forecast transaction will happen earlier or later than originally expected.</p>																																																													
IFRS 7:23C IFRS 7:23E	<p>The following tables detail the commodity options outstanding at the end of the reporting period, as well as information regarding their related hedged items. Commodity options are presented in the line 'Derivative financial instruments' within the statement of financial position (see note 34 for further details):</p>																																																													
IFRS 7:24A(a) IFRS 7:24A(c)-(d)	<p><b>Cash flow hedges</b></p> <table border="1"> <thead> <tr> <th rowspan="3">Hedging instruments—outstanding contracts</th> <th colspan="2">Average strike price</th> <th colspan="2">Quantity</th> <th colspan="2">Carrying amount of the hedging instruments</th> <th colspan="2">Change in fair value for recognising hedge ineffectiveness</th> </tr> <tr> <th>31/12/2023</th> <th>31/12/2022</th> <th>31/12/2023</th> <th>31/12/2022</th> <th>31/12/2023</th> <th>31/12/2022</th> <th>31/12/2023</th> <th>31/12/2022</th> </tr> <tr> <th>[rate]</th> <th>[rate]</th> <th>[..]</th> <th>[..]</th> <th>CU</th> <th>CU</th> <th>CU</th> <th>CU</th> </tr> </thead> <tbody> <tr> <td>Less than 3 months</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3-6 months</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>6-12 months</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1-2 years</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Hedging instruments—outstanding contracts	Average strike price		Quantity		Carrying amount of the hedging instruments		Change in fair value for recognising hedge ineffectiveness		31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	[rate]	[rate]	[..]	[..]	CU	CU	CU	CU	Less than 3 months									3-6 months									6-12 months									1-2 years								
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Source	International GAAP Holdings Limited								
IFRS 7:24B(b)	Hedged items	Change in value used for calculating hedge ineffectiveness		Balance in cash flow hedge reserve for continuing hedges		Balance in cash flow hedge reserve arising from hedging relationships for which hedge accounting is no longer applied			
		31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022		
		CU	CU	CU	CU	CU	CU		
		Forecast purchases							
	<b>31/12/2023</b>								
	Hedging instrument	Change in the fair value of hedging instrument recognised in OCI	Hedge ineffective- ness recognised in profit or loss	Line item in profit or loss in which hedge ineffectiveness is included	Cost of hedging recognised in OCI	Amount from cash flow hedge reserve transferred to inventory	Amount from cost of hedging reserve transferred to inventory		
		CU	CU	CU	CU	CU	CU		
	Commodity options	Other gains and losses							
	<b>31/12/2022</b>								
	Hedging instrument	Change in the fair value of hedging instrument recognised in OCI	Hedge ineffective- ness recognised in profit or loss	Line item in profit or loss in which hedge ineffectiveness is included	Cost of hedging recognised in OCI	Amount from cash flow hedge reserve transferred to inventory	Amount from cost of hedging reserve transferred to inventory		
CU		CU	CU	CU	CU	CU			
Commodity options	Other gains and losses								
IFRS 7:33-34	<p><b>(c)(iv) Other price risks</b></p> <p>The group is exposed to equity price risks arising from equity investments.</p> <p>Equity investments in unlisted entities (see note 24) are held for strategic rather than trading purposes. The group does not actively trade these investments.</p> <p>The group invested in a portfolio of listed shares which are held for trading (see note 24). This type of investment is approved by the board <i>[or insert name of the relevant committee]</i> as the alternative to investment in money market funds in order to generate higher investment return on the spare funds. In accordance with the policy, the group may invest only in the entities that form part of the following indices: FTSE 100, DJIA, S&amp;P 500, NASDAQ 100, etc.</p> <p><b>Equity price sensitivity analysis</b></p>								
IFRS 7:40(b)	The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.								
IFRS 7:40(a)	<p>If equity prices had been __ per cent higher/lower:</p> <ul style="list-style-type: none"> <li>Net profit for the year ended 31 December 2023 and 2022 would increase/decrease by CU__ million (2022: increase/decrease by CU__ million) as a result of the changes in fair value of the investments in listed shares</li> <li>Other comprehensive income would increase/decrease by CU__ million (2022: increase/decrease by CU__ million) as a result of the changes in fair value of the investments in equity instruments</li> </ul> <p>The methods and assumptions used in preparing the sensitivity analysis above have not changed significantly from the prior year.</p>								
IFRS 7:40(c)	[Where the assumptions used have changed from previous years, include detail of and reasons for those changes]								

Source	International GAAP Holdings Limited
IFRS 7:33 – 34 IFRS 7:35B	<p><b>(d) Credit risk management</b></p> <p>Note 62(d)(ii) details the group's maximum exposure to credit risk and the measurement bases used to determine expected credit losses.</p>
IFRS 7:35F(a)(i)	<p>In order to minimise credit risk, the group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The group only transacts with entities that are rated the equivalent of investment grade. Investments in instruments, including bills of exchange, debentures and redeemable notes as detailed in note 24, where the counterparties have a minimum BBB- credit rating, are considered to have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies where available and, if not available, the group uses other publicly available financial information and its own trading records to rate its major customers. The group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.</p>
IFRS 7:34(c)	<p>Before accepting any new customer, a dedicated team responsible for the determination of credit limits uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed and approved twice a year by the risk management committee. 80 per cent of the trade receivables have the best credit scoring attributable under the external credit scoring system used by the group.</p> <p>Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the group reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the parent company consider that the group's credit risk is significantly reduced. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.</p>
IFRS 7:B8 IFRS 7:34(c) IFRS 7:35B(c)	<p>Of the trade receivables balance at the end of the year, CU__ million (2022: CU__ million) is due from Entity A, the group's largest customer. Apart from this, the group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to Entity A did not exceed 20 per cent of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 5 per cent of gross monetary assets at any time during the year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.</p>
IFRS 7:B10(b)	<p>The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.</p>
IFRS 7:B10(c)	<p>In addition, the group is exposed to credit risk in relation to financial guarantees given to banks. The group's maximum exposure in this respect is the maximum amount the group could have to pay if the guarantee is called on (see below). As at 31 December 2023, an amount of CU__ (2022: CU__) has been estimated as a loss allowance in accordance with IFRS 9, however, no loss allowance was recognised in profit or loss because the premium received less cumulative amount recognised in profit or loss was higher than the expected amount of loss allowance (see note 37).</p>

Source	International GAAP Holdings Limited															
IFRS 7:35K(b)	<p><b>(d)(i) Collateral held as security and other credit enhancements</b></p> <p>The group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with finance lease receivables is mitigated because they are secured over the leased store equipment. The carrying amount of finance lease receivables amounts to CU__ million (2022: CU__ million) and the fair value of the leased assets is estimated to be approximately CU__ million (2022: CU__ million). The group is not permitted to sell or repledge the collateral in the absence of default by the lessee. There have not been any significant changes in the quality of the collateral held for finance lease receivables. The group has not recognised a loss allowance for the finance lease receivables as a result of these collaterals.</p> <p><b>Commentary:</b></p> <p><i>For all financial instruments to which the impairment requirements in IFRS 9 are applied, IFRS 7:35K(b) and (c) specify that entities should disclose the following:</i></p> <ul style="list-style-type: none"> <li>• <i>A narrative description of collateral held as security and other credit enhancements, including:</i> <ul style="list-style-type: none"> <li>– <i>A description of the nature and quality of the collateral held</i></li> <li>– <i>An explanation of any significant changes in the quality of that collateral or credit enhancements as a result of deterioration or changes in the collateral policies of the entity during the reporting period</i></li> <li>– <i>Information about financial instruments for which an entity has not recognised a loss allowance because of the collateral</i></li> </ul> </li> <li>• <i>Quantitative information about the collateral held as security and other credit enhancements (for example, quantification of the extent to which collateral and other credit enhancements mitigate credit risk) for financial assets that are credit-impaired at the reporting date. For all financial instruments within the scope of IFRS 7, but to which the impairment requirements in IFRS 9 are not applied, IFRS 7:36(b) specifies that entities should give a description of collateral held as security and of other credit enhancements, and their financial effect (e.g. a quantification of the extent to which collateral and other credit enhancements mitigate credit risk) in respect of the amount that best represents the maximum exposure to credit risk</i></li> </ul>															
IFRS 7:7 IFRS 7:31 IFRS 7:35K(a)	<p><b>(d)(ii) Overview of the group's exposure to credit risk</b></p> <p>Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. As at 31 December 2023, the group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the group arises from:</p> <ul style="list-style-type: none"> <li>• The carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position</li> <li>• The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised as disclosed in note 62(e)(i). The related loss allowance is disclosed in note 38</li> </ul>															
IFRS 7:35M IFRS 7:B10(c)	<p>The group's current credit risk grading framework comprises the following categories:</p> <table border="1" data-bbox="309 1621 1497 2056"> <thead> <tr> <th>Category</th> <th>Description</th> <th>Basis for recognising expected credit losses</th> </tr> </thead> <tbody> <tr> <td>Performing</td> <td>The counterparty has a low risk of default and does not have any past-due amounts</td> <td>12-month ECL</td> </tr> <tr> <td>Doubtful</td> <td>Amount is &gt;30 days past due or there has been a significant increase in credit risk since initial recognition</td> <td>Lifetime ECL – not credit-impaired</td> </tr> <tr> <td>In default</td> <td>Amount is &gt;90 days past due or there is evidence indicating the asset is credit-impaired</td> <td>Lifetime ECL – credit-impaired</td> </tr> <tr> <td>Write-off</td> <td>There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery</td> <td>Amount is written off</td> </tr> </tbody> </table>	Category	Description	Basis for recognising expected credit losses	Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL	Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired	In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery	Amount is written off
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Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery	Amount is written off														

Source	International GAAP Holdings Limited							
	<p><b>Commentary:</b></p> <p><i>IFRS 7:35M requires the disclosure of information about an entity's credit risk exposure and significant concentrations of credit risk by credit risk grading at the reporting date. The number of credit risk rating grades used to disclose such information should be consistent with the number that the entity reports to key management personnel for credit risk management purposes. However, in some cases, delinquency and past due information may be the only borrower-specific information available without undue cost or effort, which is used to assess whether credit risk has increased significantly since initial recognition. In such cases, an entity should provide an analysis of those financial assets by past due status.</i></p>							
IFRS 7:35M IFRS 7:35N IFRS 7:36(a)	<p>The tables below detail the credit quality of the group's financial assets, contract assets and financial guarantee contracts, as well as the group's maximum exposure to credit risk by credit risk rating grades:</p>							
	31/12/2023	Note	External credit rating	Internal credit rating	12-month or lifetime ECL?	Gross carrying amount (i)	Loss allowance	Net carrying amount (i)
						CU	CU	CU
	Loans to associates	24	N/A	Doubtful	Lifetime ECL (not credit impaired)			
	Loan to joint venture	24	N/A	Performing	12-month ECL (low credit risk asset)			
	Loans to other parties	24	N/A	Doubtful	Lifetime ECL (not credit impaired)			
	Bills of exchange	24	A	Performing	12-month ECL (low credit risk assets)			
	Corporate bonds	24	BBB	Performing	12-month ECL (low credit risk assets)			
	Redeemable notes	24	AA	Performing	12-month ECL (low credit risk assets)			
	Debentures	24	BBB-	Performing	12-month ECL (low credit risk assets)			
	Trade and other receivables	31	N/A	(ii)	Lifetime ECL (simplified approach)			
	Finance lease receivables	29	N/A	(ii)	Lifetime ECL (simplified approach)			
	Contract assets	27	N/A	(ii)	Lifetime ECL (simplified approach)			
	Financial guarantee contracts	38	N/A	Performing	12-month ECL			



Source		International GAAP Holdings Limited						
31/12/2022	Note	External credit rating	Internal credit rating	12-month or lifetime ECL?	Gross carrying amount (i)	Loss allowance	Net carrying amount (i)	
					CU	CU	CU (Restated)	
Loans to related parties	24	N/A	Doubtful	Lifetime ECL (not credit impaired)				
Loan to joint venture	24	N/A	Performing	12-month ECL (low credit risk assets)				
Loans to other parties	24	N/A	Doubtful	Lifetime ECL (not credit impaired)				
Bills of exchange	24	A	Performing	12-month ECL (low credit risk assets)				
Corporate bonds	24	BBB	Performing	12-month ECL (low credit risk assets)				
Redeemable notes	24	AA	Performing	12-month ECL (low credit risk assets)				
Debentures	24	BBB-	Performing	12-month ECL (low credit risk assets)				
Trade and other receivables	31	N/A	(ii)	Lifetime ECL (simplified approach)				
Finance lease receivables	29	N/A	(ii)	Lifetime ECL (simplified approach)				
Contract assets	27	N/A	(ii)	Lifetime ECL (simplified approach)				
Financial guarantee contracts	38	N/A	Performing	12-month ECL				
<p>(i) For financial guarantee contracts, the gross carrying amount represents the maximum amount the group has guaranteed under the respective contracts, and the net carrying amount represents the loss allowance recognised for the contracts.</p> <p>(ii) For trade receivables, finance lease receivables and contract assets, the group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Notes 27, 29 and 31 include further details on the loss allowance for these assets respectively.</p>								

Source	International GAAP Holdings Limited
IFRS 7:36(a)-(b) IFRS 7:B10(b)	<p>The loss allowance on corporate bonds measured at FVTOCI is recognised against other comprehensive income and accumulated in the investment revaluation reserve. See note 43.</p> <p>The carrying amount of the group's financial assets at FVTPL as disclosed in note 24 best represents their respective maximum exposure to credit risk. The group holds no collateral over any of these balances.</p> <p><b>Commentary:</b></p> <p><i>For all financial instruments within the scope of IFRS 7, but to which the impairment requirements in IFRS 9 are not applied, IFRS 7:36(a) requires an entity to disclose by class of financial instrument the amount that best represents the entity's maximum credit risk exposure at the end of the reporting period, excluding the effect of any collateral and other amounts that do not qualify for offset in accordance with IAS 32. Examples of financial instruments that are within the scope of IFRS 7 but that are not subject to the IFRS 9 impairment requirements include:</i></p> <ul style="list-style-type: none"> <li>• <i>Financial assets and derivatives measured at FVTPL</i></li> <li>• <i>Financial guarantee contracts issued measured at FVTPL</i></li> <li>• <i>Loan commitments issued measured at FVTPL</i></li> </ul> <p><i>Equity investments, regardless of whether they are measured at FVTPL or FVTOCI, are also in the scope of IFRS 7 but not subject to the IFRS 9 impairment requirements; however, they do not give rise to an exposure to credit risk and therefore are not subject to the IFRS 7 credit risk disclosures.</i></p>
IFRS 7:33-34	<p><b>(e) Liquidity risk management</b></p> <p>Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for management of the group's short, medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Details of additional undrawn facilities that the group has at its disposal to further reduce liquidity risk are set out below.</p>
IFRS 7:34-35 IFRS 7:39(c)	<p><b>(e)(i) Liquidity and interest risk tables</b></p> <p>The following tables detail the group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest cash flows are floating rate, the undiscounted amount is derived from interest rate curves at the reporting date.</p>
IFRS 7:B10(c)	<p>The amounts included in the following table for financial guarantee contracts are the maximum amount the group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee (see note 38). Based on expectations at the end of the reporting period, the group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.</p> <p>The contractual maturity is based on the earliest date on which the group may be required to pay.</p> <p><b>Commentary:</b></p> <p><i>The tables below include the weighted average effective interest rate and the carrying amount of the respective financial liabilities as reflected in the consolidated statement of financial position as an example of summary quantitative data about exposure to interest rates at the end of the reporting period that an entity may provide internally to key management personnel.</i></p>

Source	International GAAP Holdings Limited	Weighted average effective interest rate %	Less than 1 month CU	1-3 months CU
	<p><b>31 December 2023</b></p> <p>Trade and other payables</p> <p>Accruals</p> <p>Variable interest rate instruments (nominal)</p> <p>Fixed interest rate instruments (nominal)</p> <p>Interest on the interest bearing instruments</p> <p>Financial guarantee contracts</p> <p>Contingent consideration</p> <p><b>31 December 2022</b></p> <p>Trade and other payables</p> <p>Accruals</p> <p>Variable interest rate instruments (nominal)</p> <p>Fixed interest rate instruments (nominal)</p> <p>Interest on the interest bearing instruments</p> <p>Financial guarantee contracts</p> <p>Contingent consideration</p>			
IFRS 7:39(b)	<p>The following table details the group's liquidity analysis for its derivative financial instruments based on contractual maturities. The table has been drawn up based on the undiscounted net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.</p>			
		Less than 1 month CU	1-3 months CU	3 months to 1 year CU
	<p><b>31 December 2023</b></p> <p>Net settled (derivative liabilities):</p> <p>Interest rate swaps</p> <p>Commodity options</p> <p>Gross settled:</p> <p>Foreign exchange forward contracts – gross outflows</p> <p>Currency swaps – gross outflows</p> <p><b>31 December 2022</b></p> <p>Net settled (derivative liabilities):</p> <p>Interest rate swaps</p> <p>Commodity options</p> <p>Gross settled:</p> <p>Foreign exchange forward contracts – gross outflows</p> <p>Currency swaps – gross outflows</p>			

Source	International GAAP Holdings Limited				
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<u>3 months to 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>5+ years</u>	<u>Total</u>	<u>Carrying amount</u>
CU	CU	CU	CU	CU	CU

<u>1-2 years</u>	<u>2-5 years</u>	<u>5+ years</u>
CU	CU	CU

Source	International GAAP Holdings Limited
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**(e)(ii) Financing facilities**

The group is using a combination of the cash inflows from the financial assets and the available bank facilities to manage the liquidity.

The table below presents the cash inflows from financial assets:

	Less than 1 month	1-3 months	3 months to 1 year	1-2 years	2-5 years	5+ years	Total
	CU	CU	CU	CU	CU	CU	CU
<b>31 December 2023</b>							
Trade and other receivables							
Contract assets							
Lease receivables							
Investments in debt and equity instruments							
Derivative assets settled net							
Gross inflow on derivatives settled gross							
<b>31 December 2022</b>							
Trade and other receivables							
Contract assets							
Lease receivables							
Investments in debt and equity instruments							
Derivative assets settled net							
Gross inflow on derivatives settled gross							

The group has access to financing facilities as described below, of which CU\_\_ million were unused at the reporting date (2022: CU\_\_ million). The group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Source	International GAAP Holdings Limited	31/12/2023	31/12/2022
		CU	CU
IAS 7:50(a)	<p><b>Unsecured bank overdraft facility, reviewed annually and payable at call:</b></p> <p>amount used</p> <p>amount unused</p> <p style="text-align: right;"><hr/><hr/></p> <p><b>Unsecured bill acceptance facility, reviewed annually:</b></p> <p>amount used</p> <p>amount unused</p> <p style="text-align: right;"><hr/><hr/></p> <p><b>Secured bank overdraft facility:</b></p> <p>amount used</p> <p>amount unused</p> <p style="text-align: right;"><hr/><hr/></p> <p><b>Secured bank loan facilities with various maturity dates through to 2023 and which may be extended by mutual agreement:</b></p> <p>amount used</p> <p>amount unused</p> <p style="text-align: right;"><hr/><hr/></p>		
IAS 1:134-135	<p><b>(f) Capital risk management</b></p> <p>The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from 2022.</p> <p>The capital structure of the group consists of net debt and equity of the group.</p> <p>Debt is defined by the group as long- and short-term borrowings and lease liabilities (excluding derivatives, contingent consideration, and financial guarantee contracts) as disclosed in notes 32, 33 and 36. Net debt is defined as debt after deducting cash and cash equivalents (including cash and bank balances in a disposal group held for sale).</p> <p>Equity includes capital, reserves, retained earnings, and non-controlling interests as disclosed in notes 40 to 51.</p> <p>The group is not subject to any externally imposed capital requirements.</p> <p>The group's risk management committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The group has a target gearing ratio of __ per cent to __ per cent determined as the proportion of net debt to equity. The gearing ratio at 31 December 2023 of __ per cent (see below) was at below the target range, and has returned to a more typical level of __ per cent since the reporting date.</p>		

Source	International GAAP Holdings Limited																																																												
	<p><b>Gearing ratio</b></p> <p>The gearing ratio at the year-end is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2023</th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2022</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">CU</td> <td style="text-align: center;">CU</td> </tr> <tr> <td>Debt</td> <td></td> <td></td> </tr> <tr> <td>Cash and cash equivalents (including cash and bank balances in a disposal group held for sale)</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td><b>Net debt</b></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td><b>Equity</b></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Net debt to equity ratio</td> <td style="text-align: center;">%</td> <td style="text-align: center;">%</td> </tr> </tbody> </table>		31/12/2023	31/12/2022		CU	CU	Debt			Cash and cash equivalents (including cash and bank balances in a disposal group held for sale)			<b>Net debt</b>			<b>Equity</b>			Net debt to equity ratio	%	%																																							
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IAS 10:21	<p><b>63. Events after the reporting period</b></p> <p>On [date] the premises of [name of subsidiary] were seriously damaged by fire. Insurance claims have been put in hand but the cost of refurbishment is currently expected to exceed these by CU__.</p>																																																												
IAS 24:13	<p><b>64. Related party transactions</b></p> <p>Balances and transactions between the parent company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the group and its associates/ joint ventures are disclosed below.</p>																																																												
IAS 24:18-19	<p><b>Trading transactions</b></p> <p>During the year, group entities entered into the following transactions with related parties who are not members of the group:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Sale of goods</th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Purchase of goods</th> </tr> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2023</th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2022</th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2023</th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> </tr> </thead> <tbody> <tr> <td>X Holdings</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Associates</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Joint ventures</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> </tbody> </table> <p>The following amounts were outstanding at the reporting date:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Amounts owed by related parties</th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Amounts owed to related parties</th> </tr> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2023</th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2022</th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2023</th> <th style="text-align: center; border-bottom: 1px solid black;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> <th style="text-align: center;">CU</th> </tr> </thead> <tbody> <tr> <td>X Holdings</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Associates</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Joint ventures</td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> </tr> </tbody> </table>		Sale of goods		Purchase of goods			31/12/2023	31/12/2022	31/12/2023	31/12/2022		CU	CU	CU	CU	X Holdings					Associates					Joint ventures						Amounts owed by related parties		Amounts owed to related parties			31/12/2023	31/12/2022	31/12/2023	31/12/2022		CU	CU	CU	CU	X Holdings					Associates					Joint ventures				
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<div style="border: 1px solid green; padding: 10px; display: inline-block;">  Additional related party disclosures are required in relation to parent entities and/or ultimate controlling parties incorporated or otherwise constituted outside Australia. Illustrative disclosures can be found in Note 64 in Appendix 2.                 </div>																																																													

Source	International GAAP Holdings Limited																											
IAS 24:23	<p>X Holdings is a related party of the group because <i>[give reasons]</i>.</p> <p>Sales of goods to related parties were made at the group's usual list prices, less average discounts of __ per cent. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.</p> <p>The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.</p> <p>Amounts repayable to X Holdings carry interest of __ per cent to __ per cent (2022: __ per cent to __ per cent) per annum charged on the outstanding loan balances (see note 32).</p>																											
IAS 24:17	<p><b>Remuneration of key management personnel</b></p> <p>The remuneration of the directors, who are the key management personnel of the group, is set out below in aggregate for each of the categories specified in IAS 24 <i>Related Party Disclosures</i>.</p> <table border="1" data-bbox="1082 678 1505 1070"> <thead> <tr> <th></th> <th style="text-align: right;">31/12/2023</th> <th style="text-align: right;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: right;">CU</th> <th style="text-align: right;">CU</th> </tr> </thead> <tbody> <tr> <td>Short-term employee benefits</td> <td></td> <td></td> </tr> <tr> <td>Post-employment benefits</td> <td></td> <td></td> </tr> <tr> <td>Other long-term benefits</td> <td></td> <td></td> </tr> <tr> <td>Termination benefits</td> <td></td> <td></td> </tr> <tr> <td>Share-based payments</td> <td></td> <td></td> </tr> </tbody> </table>		31/12/2023	31/12/2022		CU	CU	Short-term employee benefits			Post-employment benefits			Other long-term benefits			Termination benefits			Share-based payments								
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IAS 24:18	<p><b>Loans to related parties</b></p> <table border="1" data-bbox="1082 1160 1505 1238"> <thead> <tr> <th></th> <th style="text-align: right;">31/12/2023</th> <th style="text-align: right;">31/12/2022</th> </tr> <tr> <th></th> <th style="text-align: right;">CU</th> <th style="text-align: right;">CU</th> </tr> </thead> <tbody> <tr> <td>Loans to associates:</td> <td></td> <td></td> </tr> <tr> <td>    Associate A Limited</td> <td></td> <td></td> </tr> <tr> <td>    Associate B Limited</td> <td></td> <td></td> </tr> <tr> <td>Loan to joint venture</td> <td></td> <td></td> </tr> <tr> <td>    JV A Limited</td> <td></td> <td></td> </tr> <tr> <td>Loans to other related parties:</td> <td></td> <td></td> </tr> <tr> <td>    <i>[Name of related party]</i></td> <td></td> <td></td> </tr> </tbody> </table>		31/12/2023	31/12/2022		CU	CU	Loans to associates:			Associate A Limited			Associate B Limited			Loan to joint venture			JV A Limited			Loans to other related parties:			<i>[Name of related party]</i>		
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<i>[Name of related party]</i>																												
IAS 10:17	<p>The group has provided its associates with short-term loans at rates comparable to the average commercial rate of interest (see note 24).</p> <p><b>65. Approval of the financial statements</b></p> <p>The financial statements were approved by the board of directors and authorised for issue on <i>[date]</i>.</p> <p><b>Independent Auditor's Report</b></p>																											
<p><b>Commentary:</b></p> <p><i>Following the changes to audit reports under ISAs applicable to periods commencing on or after 15 December 2016, audit reports are likely to contain more entity-specific material. Accordingly, no example audit report is provided.</i></p>																												



Additional information is required for Australian entities, in relation to remuneration of auditors and parent entity information. Example disclosures are included in Note 66 and Note 67 in Appendix 2. See Appendix 2 Independent auditor's report for information on the auditor's report.



# Appendix 1 – Areas of the model financial statements affected by climate change



This appendix gives an overview of all disclosure areas impacted by climate change. These impacts are also highlighted in the core model financial statements with icons.

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**Climate change**

**194**



### Appendix 1—Areas of the illustrative financial statements affected by climate change

Risks and uncertainties arising from climate change or the transition to a lower carbon economy could affect the following areas of the financial statements.

Section	Area	Commentary
3. Accounting policies	Going concern assessment	<p>IAS 1 requires disclosure of material uncertainties relating to events or conditions which may cast significant doubt upon an entity's ability to continue as a going concern, or of significant judgements made in concluding there are no material uncertainties related to the going concern assumption.</p> <p>Such uncertainties may arise from climate-related factors. For example, the introduction of legislation directly affecting an entity's business model, or giving rise to increased compliance costs, may cast significant uncertainty upon the entity's ability to continue as a going concern. Alternatively, management may have applied significant judgement about the effectiveness of the entity's planned response in concluding that there is no material uncertainty.</p>
4. Critical accounting judgements and key sources of estimation uncertainty 16. Goodwill 17. Other intangible assets 18. Property, plant and equipment 21. Associates 22. Joint ventures 30. Leases (group as a lessee)	Impairment of non-financial assets	<p>Exposure to climate-related risks could be an indicator of impairment, for example, a significant decline in demand for products or services, or new regulations that have a negative impact on an entity. Such factors could also affect the estimated cash flows used in determining the recoverable amount of an asset or group of assets.</p> <p>Sensitivity disclosures under IAS 36:134 should reflect all reasonably possible changes in the values assigned to key assumptions. Unlike IAS 1:125, this is not limited to changes within the next year and should address all reasonably possible changes over the period of the impairment assessment.</p> <p>An entity should consider the long-term impacts of climate change and consider disclosing climate-related assumptions as key assumptions.</p>
3. Accounting policies 18. Property, plant and equipment 17. Other intangible assets 30. Leases (group as a lessee)	Changes in the recognition, useful life or residual value of assets	<p>When climate-related risks are significant, concerns over viability could mean that the criterion (in IAS 16:7 for property, plant and equipment and paragraph 21 of IAS 38 <i>Intangible Assets</i> for intangible assets) that costs are only recognised as an asset when it is probable that future economic benefits associated with the asset will flow to the entity is not met.</p> <p>Adaptation of an entity's business to address climate change issues could also result in additional research and development activities, requiring consideration of the criteria for recognition as intangible assets under IAS 38:57.</p> <p>In addition, intangible assets related to carbon offset schemes may need to be recognised.</p> <p>Climate-related risks may also affect the depreciation or amortisation of assets (property, plant and equipment, right-of-use assets and intangible assets) through a change in their useful lives or residual values.</p> <p>Such factors should be incorporated into a review of an asset's useful life and residual value.</p>

Source		International GAAP Holdings Limited	
Section	Area	Commentary	
39. Provisions 55. Contingent liabilities	Provisions, contingencies and onerous contracts	<p>The pace and severity of climate change, as well as accompanying government policy and regulatory measures, may affect the recognition, measurement and disclosure of provisions, contingencies and onerous contracts.</p> <p>Major assumptions about future events must be disclosed, which may include an explanation of how climate-related risks have been factored into the best estimate of the provision. Information may also need to be included to help users understand the potential effect of changes in major assumptions used.</p>	
4. Critical accounting judgements and key sources of estimation uncertainty	Key judgements and estimates disclosures	<p>If assumptions related to the impact of climate change or the transition to a lower carbon economy have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, then information about the assumptions should be disclosed in accordance with IAS 1:125. This includes longer-term assumptions which are at risk of significant revision within the next year.</p> <p>It may also be necessary to disclose other uncertainties that are not expected to cause a material adjustment within one year to enable a better understanding of the financial statements. Such disclosure should, however, be clearly separated from uncertainties that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year, per IAS 1:125.</p> <p>In the process of applying the entity's accounting policies, management may make various judgements, other than those involving estimations, that can significantly affect the amounts recognised in the financial statements. Such judgements are required to be disclosed in accordance with IAS 1:122.</p> <p>The IFRS Foundation has published educational material that includes an example of an entity operating in an industry particularly affected by climate-related matters. In the example, the entity tests an asset for impairment applying IAS 36 but recognises no impairment loss. The entity should disclose judgements management has made, for example, in identifying the asset's cash-generating unit, if such judgements could significantly affect the amounts recognised in the entity's financial statements.</p> <p>The transition to a low carbon economy will also give rise to new transactions for which significant judgements may be required in developing accounting policies. For example, 'green' bonds, carbon offsetting or emission trading schemes.</p>	
4. Critical accounting judgements and key sources of estimation uncertainty	Information that is relevant to understanding the financial statements	<p>If users of the financial statements could reasonably expect that climate change-related risks will have significant impact on the parent company and this would qualitatively influence their decisions, then management should clearly disclose information about the climate change assumptions that they have made (if not disclosed elsewhere), including disclosures around the sensitivity of those assumptions. This is to enable users to understand the basis of forecasts on which the financial statements are prepared. This may mean that disclosure is provided even if the effects of climate change on the parent company may only be experienced in the medium to longer term.</p>	

Source		International GAAP Holdings Limited	
Section	Area	Commentary	
4. Critical accounting judgements and key sources of estimation uncertainty 24. Investments 27. Contract assets 29. Finance lease receivables 31. Trade and other receivables	Impairment of financial assets	Climate-related events, such as floods and hurricanes, can affect the creditworthiness of borrowers due to business interruption, impacts on economic strength, asset values and unemployment. In addition, borrowers' ability to pay debts might be diminished if they are in industries that have fallen out of favour and are therefore depressed. The impact on receivables in entities operating in non-financial industries is likely to be less severe because the economic conditions are less likely to change during the collection period of the debtors. However, where a significant climate-related event has occurred, the effect of this event on trade receivables at balance sheet date should be assessed.	
18. Property, plant and equipment 19. Investment property 62. Financial Instruments	Assets measured on a fair value basis	<p>The requirements of IFRS 13 on fair value measurement apply to a broad range of assets and liabilities whether for measurement or disclosure purposes. This includes assets or cash-generating units tested for impairment on a fair value less costs of disposal basis, as well as the initial measurement at fair value of assets acquired in a business combination.</p> <p>The broad scope of IFRS 13's requirements could mean that the effects of climate-related risks on fair values become significant for entities whose own business might not be thought of as being directly affected by the more apparent physical and transition risks of climate change.</p>	
58. Retirement benefit plans	Impact on pension risks from climate	<p>Pension trustees are required to consider all material financial risks, including the exposure of pension assets to climate change risk.</p> <p>Demographic assumptions and investment performance can vary significantly under different climate change scenarios, affecting the measurement of pension asset and liability balances at the balance sheet date.</p>	
35. Deferred tax	Recoverability of deferred tax assets	Climate-related factors may cause a decrease in estimates of future taxable profits. Assumptions underlying the forecast of future taxable profits that supports the recoverability of deferred tax assets should be consistent with assumptions underlying other profit forecasts used in the preparation of the financial statements or disclosed in the narrative reports.	
4. Critical accounting judgements and key sources of estimation uncertainty 12. Income Tax 39. Provisions 55. Contingent liabilities	New levies or taxes	New levies or taxes may be introduced to encourage decarbonisation. Any levy liabilities should be recognised as the obligation is triggered under law (per IFRIC 21 <i>Levies</i> ) and any income tax effects should be incorporated into normal IAS 12 accounting. Care should be taken when distinguishing between a levy and income tax and the application of IFRIC 21 or IAS 12 as this has proven to be a challenging area as new taxes/levies have been introduced in the past.	
17. Other intangible assets	Carbon trading schemes	There are currently different acceptable approaches to account for carbon trading schemes. The accounting policy applied by the entity should be disclosed if this is relevant for users to understand the financial statements.	

Source	International GAAP Holdings Limited
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Section	Area	Commentary
57. Share-based payments	Incentive schemes	Entities may introduce schemes to incentivise management to decarbonise. Such schemes may either fall in the scope of IAS 19 or IFRS 2 depending on the nature of the awards. Decarbonisation targets should be treated as any other uncertainties or actuarial assumptions for IAS 19 benefits, and as any other performance conditions for share-based payments under IFRS 2.
25. Inventories	Net realisable value of inventories	The net realisable value of inventories could be impacted by climate-related factors, when either selling prices decline or costs of completion increase. Changing consumer behaviour could cause a fall in demand for a product, raw material sourcing constraints could cause an increase in completion costs, a regulatory change could render inventories obsolete, or a significant weather event could cause physical damage to inventories. If such instances mean that the cost of inventory is no longer recoverable, IAS 2 requires that such inventories be written down to their net realisable value.
5. Revenue 6. Operating Segments	Segmental and disaggregated revenue disclosures	IFRS 8 requires disclosure of information about operating segments. Such information may only be aggregated when segments have similar economic characteristics and are similar in various other respects as set out in IFRS 8:12. The anticipated impact of climate change is an indicator that segments may not have similar economic characteristics in the long term.  IFRS 15:114 requires revenue recognised from contracts with customers to be disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. This could include climate-related factors which result in different categories of revenue being subject to substantially different risks or opportunities.
7. Profit for the year	Government grants	Governments may increasingly provide government grants and other forms of government assistance to entities to encourage the transition to a lower carbon economy in line with the government's commitments to reduce greenhouse gas emissions.  <i>IAS 20 Accounting for Government Grants and Disclosure of Government Assistance</i> prescribes the accounting for, and disclosure of, government grants and other forms of government assistance. Whether government grants which are intended to compensate entities for costs related to 'green' capital or operating expenditure are within the scope of IAS 20 and how such grants should be recognised in profit or loss on a systematic basis, will depend on the nature of the grants and the conditions attaching to them.

# Appendix 2 – Australian-specific disclosures



This appendix includes the various reports required under the Corporations Act, additional Australian Accounting Standards disclosures, ASX Listing Rules requirements and ACNC requirements.

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# About these disclosures

We have designed these Australian specific illustrative disclosures to be used as a guide, in conjunction with the core model financial statements, to assist most for-profit and not-for-profit Tier 1 entities meet their general financial reporting requirements.

This section contains illustrative disclosures that are suitable for use as a **guide** only and will not be appropriate for use by all entities. Each entity should consider its respective circumstances and amend the disclosures as necessary.



**The illustrative disclosures in this appendix only illustrate additional Australian specific disclosures and requirements that are in addition to, or instead of, the disclosures included in the core model financial statements.**

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**Section A2 and *Using the core model financial statements for Tier 1 entities* in the introduction to the *Core model financial statements* illustrates how a complete financial report can be constructed using the information in this appendix and the core model financial statements.**

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## Not-for-profit and public sector entities

Illustrative disclosures and guidance specific to not-for-profit and public sector entities have been highlighted in this document by being shaded using teal colouring as illustrated here.

# Appendix 4E

## Source

Appendix 4E, Item 1

Appendix 4E, Item 1

**Current reporting period**

Year ended 30 June 2024

**Prior corresponding period**

Year ended 30 June 2023

Appendix 4E, Item 2,  
Footnote

## Results for announcement to the market

The information below required by Appendix 4E, Items 2.1-2.6 must be placed at the beginning of the report. The other information required by Appendix 4E may be presented in whatever way is the most clear and helpful to users, e.g. combined with the body of the report, combined with notes to the accounts, or set out separately.

### Key information

		<u>% Change</u>		<u>\$'000</u>
Appendix 4E, Item 2.1	Total revenue from ordinary activities	[Up/down]	___ %	to [Amount]
Appendix 4E, Item 2.2	Profit (loss) from ordinary activities after tax attributable to members	[Up/down]	___ %	to [Amount]
Appendix 4E, Item 2.3	Net profit (loss) for the period attributable to members	[Up/down]	___ %	to [Amount]

Appendix 4E, Item 7

### Details relating to dividends

		<u>Amount per share</u>	<u>Franking<sup>(1)</sup></u>	<u>Total amount \$'000</u>
Appendix 4E, Item 2.4	Final dividend paid on 7 October 2023 (prior year)	___ cents	___ %	[Amount]
Appendix 4E, Item 2.4	Interim dividend paid on 6 May 2024	___ cents	___ %	[Amount]
Appendix 4E, Item 2.4	Final dividend declared on 22 August 2024 <sup>(2)</sup>	___ cents	___ %	[Amount]

Appendix 4E, Item 2.5

Record date for determining entitlements to dividends 20 September 2024

Appendix 4E, Item 2.6

(1) All dividends are fully franked at a 30% tax rate.

Appendix 4E, Item 7

(2) The final dividend is payable on 11 October 2024 and is not recognised as a liability as at 30 June 2024.

Appendix 4E, Item 2.4

If no dividends have been paid or proposed, the entity is required to make a statement that it is not proposed to pay dividends.

### Additional information

Appendix 4E, Item 2.6

An entity is required to provide a brief explanation of any figures provided in relation to Items 2.1 to 2.4 necessary to enable the figures to be understood.

For example, and entity may include information including:

- Abnormal items of income and expense during the period or corresponding period
- Details of discontinued operations
- Additional line items or subtotals explaining the composition of amounts.



## Source

**Results for announcement to the market (continued)****Additional requirements for dividends and distributions**

Appendix 4E, Item 7

Item 7 of Appendix 4E requires the disclosure of details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.

**Dividend or distribution reinvestment plans**

Appendix 4E, Item 8

The entity is required to provide details of any dividend or distribution reinvestment plans in operation and the last date for receipt of an election notice for participation in any dividend or distribution reinvestment plan.

**Commentary on results for the period**

Appendix 4E, Item 14

The preliminary final report must contain a commentary on results for the period that is sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to discussion of:

- The earnings per security and the nature of any dilution aspects
- Returns to shareholders including distributions and buy-backs
- Significant features of operating performance
- The results of segments that are significant to an understanding of the business as a whole
- A discussion of trends in performance
- Any other factors which have affected the results in the period or which are likely to affect the results in the future including those where the effect could not be quantified.

**Net tangible assets per share**

Appendix 4E, Item 9

	<u>30/06/2024</u>	<u>30/06/2023*</u>
Net tangible assets per share	___ cents	___ cents

\* The information for 30 June 2024 has been restated for the *[describe the change in accounting policy or error]* as explained in Note 2 to the attached financial statements.

**Calculation of net tangible assets per share**

Appendix 4E does not provide explicit guidance on how net tangible assets are calculated, although that term is used in many places in the ASX Listing Rules in addition to Appendix 4E. The following information may be used as guidance:

- [Chapter 19](#) of the ASX Listing Rules provides a definition of 'net tangible asset backing' for the purposes of disclosure by listed investment entities under ASX Listing Rules 4.10.2 and 4.12
- The [ASX Clear \(Futures\) Operating Rules](#) provides a definition of net tangible assets (in Part 1) for the purposes of those rules. This definition explains that both intangible assets (within the meaning of AASB 138 *Intangible Assets*, including goodwill) and deferred tax assets should be excluded from net tangible assets for the purposes of those rules
- The ASX [Introduction to Investment Products](#) publication explains that net tangible assets of listed investment companies and trusts is the assets of the entity less any liabilities and intangible assets.

It is understood that the ASX will accept a lease right-of-use asset being classified as tangible or intangible following the character of the underlying asset. So, for example, a lease right-of-use asset associated with a lease of plant and equipment would be classified as tangible for the purposes of the net tangible assets per share calculation.

Where judgement is applied in determining the net tangible assets per share, additional explanation may be required.

**Source****Financial statements**

The preliminary financial report must contain:

- Appendix 4E, Item 3 • A statement of comprehensive income together with notes to the statement, prepared in compliance with AASB 101 *Presentation of Financial Statements*, or the equivalent foreign accounting standard
- Appendix 4E, Item 4 • A statement of financial position together with notes to the statement. The statement may be condensed but must report as line items each significant class of asset, liabilities and equity element with appropriate subtotals
- Appendix 4E, Item 5 • A statement of cash flows together with notes to the statement. The statement may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of AASB 107 *Statement of Cash Flows*, or equivalent foreign accounting standard
- Appendix 4E, Item 6 • A statement of retained earnings, or a statement of changes in equity, showing movements.

Appendix 4E, Item 12 The preliminary financial report must also contain any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

Appendix 4E, Item 2, Footnote With the exception of the information required by Appendix 4E, Item 2, the information required by Appendix 4E may be presented in whatever way is the most clear and helpful to users, e.g. combined with the body of the report, combined with notes to the accounts, or set out separately. Accordingly, where the financial report is included with the preliminary final report, the above information is not required to be duplicated in the preliminary final report. If the entity does not include an attached financial report, then the financial statements should be included in the preliminary financial report.

**Entities over which control has been gained or lost during the period**

Appendix 4E, Item 10 Details provided must include the following:

- Name of the entity
- The date of the gain or loss of control
- Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.

**Details of associates and joint ventures**

Appendix 4E, Item 11 Details to be provided include:

- Name of the associate or joint venture
- Details of the reporting entity's percentage holding in each of these entities
- Where material to an understanding of the report – aggregated share of profits (losses) of these entities, details of contributions to net profit for each of these entities, with comparative figures for each of these disclosures for the previous corresponding period.

**Foreign entities**

Appendix 4E, Item 13 Foreign entities are required to disclose which set of accounting standards is used in compiling the report (e.g. IFRS Accounting Standards).

**Source**

**Information about the audit**

- Appendix 4E, Item 15 This preliminary final report is based on the attached financial report which has been audited by the Group’s auditors, Deloitte Touche Tohmatsu. A copy of Deloitte’s unqualified audit report can be found on page 247.
- Appendix 4E, Item 15 The Appendix 4E is required to include a statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed.
- Appendix 4E, Item 16 If the accounts have not been audited and are likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.
- Appendix 4E, Item 17 If the accounts have been audited and contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.

# Directors' report

## Source

s.298(1) A company, registered scheme or disclosing entity must prepare a directors' report for each financial year.

s.1308(7) Where the directors' report contains information in addition to that required by the Corporations Act, the information will be regarded as part of the directors' report for the purposes of s.1308 'False or misleading statements'.

### **Transfer of information from the directors' report into another document forming part of the annual report**

s.300(2) Information required by s.300 need not be included in the directors' report where such information is disclosed in the financial statements.

ASIC-CI 2016/188 Information required by s.298(1AA)(c) , s.298(1AB)(b), s.299 to s.300 (other than s.300(11B) and (11C) and s.300B to the extent that those sections require certain information to be included in the directors' report or in the financial statements under s.300(2)) may be included in a document which accompanies the directors' report and financial statements where a prominent cross reference to the page/s containing the excluded information exists and certain conditions are satisfied. The information required by s.298(1)(c)1, s.298(1A), s.299 and s.299A may not be transferred into the financial statements.

Where information is transferred into the financial statements it will be subject to audit.

The directors of International GAAP Holdings Limited present the annual report of the company for the financial year ended 30 June 2024. To comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

### **Information about the directors**

s.300(1)(c), s.300(10)(a) The names and particulars of the directors of the company during or since the end of the financial year are:

#### **Name [all entities]**

#### **Particulars [public companies only]**

Mr C.J. Chambers	Chairman, Chartered Accountant, joined the Board in 2018 in a non-executive capacity and is a non-executive director of the ultimate holding company, Y Holdings Limited. Mr C.J. Chambers is also a director of Eastwood Limited. He is a member of the audit committee and the risk management committee.
Mr P.H. Taylor	Chief Executive Officer, joined the Board in 2020. Mr P.H. Taylor was previously the CEO at a large manufacturing company.
Ms F.R. Ridley	Chartered Accountant, joined the Board in 2021 in a non-executive capacity. Ms F.R. Ridley is a member of the nomination and remuneration committee, and of the audit committee.
Mr A.K. Black	Industrial Engineer, joined the Board on 17 July 2023. He previously held various senior management positions in manufacturing and wholesale companies.

## Source

**Information about the directors (continued)****Name [all entities]****Particulars [public companies only]**

Mr B.M. Stavrinidis

Director of Merchant Bank Limited, joined the Board in 2019 in a non-executive capacity. Mr B.M. Stavrinidis is a member of the nomination and remuneration committee, the audit committee, and the risk management committee.

Mr W.K. Flinders

Practicing Solicitor, joined the Board in 2016 in a non-executive capacity and resigned during the year. Mr W.K. Flinders was a member of the nomination and remuneration committee until his resignation.

Ms S.M. Saunders

Practicing Solicitor, joined the Board on 7 August 2023 in a non-executive capacity and resigned after year end. Ms S.M. Saunders was a member of the nomination and remuneration committee and the risk management committee until her resignation.

s.300(1)(c)

The above named directors held office during the whole of the financial year and since the end of the financial year except for:

- Mr W.K. Flinders – resigned 17 July 2023
- Ms S.M. Saunders – appointed 7 August 2023, resigned 12 July 2024
- Mr A.K. Black – appointed 17 July 2023.

s.300(10)(a)

Particulars include each director's qualifications, experience and special responsibilities.

s.300(10)

A public company that is a wholly-owned subsidiary of another company is not required to disclose each director's qualifications, experience and special responsibilities, the number of meetings of the board of directors and each board committee, or the qualifications and experience of each company secretary.

**Directorships of other listed companies [listed companies only]**

s.300(11)(e)

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Mr C.J. Chambers	Eastwood Limited	Since 2020
	Yarwood Limited	2021 – 2024

**Former partners of the audit firm**

s.300(1)(ca)

The directors' report must disclose the name of each person who:

- Is an officer of the company, registered scheme or disclosing entity at any time during the year
- Was a partner in an audit firm, or a director of an audit company, that is an auditor of the company, disclosing entity or registered scheme for the year
- Was such a partner or director at a time when the audit firm or the audit company undertook an audit of the company, disclosing entity or registered scheme.

**Source**

**Directors' shareholdings [listed companies only]<sup>54</sup>**  
 s.300(11)(a), (b), (c) The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the company or a related body corporate as at the date of this report:

<b>International GAAP Holdings Limited</b>			
<b>Directors</b>	<b>Fully paid ordinary shares Number</b>	<b>Share options Number</b>	<b>Convertible notes Number</b>
C.J. Chambers P.H. Taylor A.K. Black			
s.608	Directors are considered to have a relevant interest where the director:		
	<ul style="list-style-type: none"> <li>• Is the holder of the securities</li> <li>• Has power to exercise, or control the exercise of, a right to vote attached to the securities, or</li> <li>• Has power to dispose of, or control the exercise of a power to dispose of, the securities.</li> </ul>		
s.608	It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.		
s.608, s.609	Refer s.608 and s.609 of the Corporations Act for more information about when a person has a relevant interest in a security.		
	Although s.300(11)(a)-(c) only requires relevant interests in shares, debentures, and rights or options in shares or debentures to be disclosed, where considered necessary (i.e. to satisfy the information needs of the likely users of the annual report), directors may consider disclosing interests in other equity instruments.		
s.300(11)(d)	For each director who is party to or entitled to a benefit under a contract that confers a right to call for or deliver shares in, or debentures of or interests in a registered scheme made available by the company or a related body corporate, disclosure should be made of such contracts.		

**Remuneration of key management personnel**

Information about the remuneration of key management personnel is set out in the remuneration report section of this directors' report (starting on page 229). The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity (i.e. group), directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity.

<sup>54</sup> Although not specifically stated in s.300(11), directors' shareholdings [listed companies only] disclosed in the directors' report should be as at the date of the directors' report. However, in accordance with Regulation 2M.3.03 (e.g. item 18) of the Corporations Regulations, shareholdings of key management personnel in the remuneration report should be as at 30 June 2024 (i.e. the end of the reporting period).

**Source**

**Share options granted to directors and senior management**

- s.300(1)(d) The directors' report should include details of options that are:
  - Granted over unissued shares or unissued interests during or since the end of the financial year
  - Granted to any of the directors or any of the 5 most highly remunerated officers of the company (other than the directors)
  - Granted to them as part of their remuneration.
  
- s.300(3) The disclosures required by s.300(1)(d) cover:
  - Options over unissued shares and interests of the company, registered scheme or disclosing entity
  - If consolidated financial statements are required – options over unissued shares and interests of any controlled entity that is a company, registered scheme or disclosing entity.
  
- s.300(5) The details of an option granted during or since the end of the financial year should include:
  - The identity of the company, registered scheme or disclosing entity granting the option
  - The name of the person to whom the option is granted
  - The number and class of shares or interests over which the option is granted.
  
- s.300(1)(d), s.300(3), s.300(5) During and since the end of the financial year, an aggregate 140,870 share options were granted to the following directors and to the five highest remunerated officers of the company and its controlled entities as part of their remuneration<sup>55</sup>:

Directors and senior management	Number of options granted	Issuing entity	Number of ordinary shares under option
P.H. Taylor		International GAAP Holdings Limited	
T.L. Smith		International GAAP Holdings Limited	
W.L. Lee		International GAAP Holdings Limited	
L.J. Jackson		International GAAP Holdings Limited	
C.P. Daniels		International GAAP Holdings Limited	
N.W. Wright		International GAAP Holdings Limited	

**Company secretary [public companies only]**

- s.300(10)(d) Mr A.B. Grey, Chartered Accountant, held the position of company secretary of International GAAP Holdings Limited at the end of the financial year. He joined International GAAP Holdings Limited in 2020 and previously held the company secretary position at a large manufacturing company. He is a member of the Governance Institute of Australia Ltd.
  
- s.300(10) Disclosure of the company secretary's qualifications and experience is not required for a public company which is a wholly-owned controlled entity of another company.

**Principal activities**

- s.299(1)(c), AASB 101:138(b) The consolidated entity's principal activities in the course of the financial year were the manufacture of electronic equipment and leisure goods, and the construction and renovation of residential properties.
 

During the financial year the consolidated entity sold its *[describe]* business. Details of the sale are contained in note 13 and note 52 to the financial statements. During the year the board of directors decided to dispose of the *[describe]* business. Details of the planned disposal are contained in note 13 to the financial statements.

<sup>55</sup> While s.300A(1)(a) has been amended to remove remuneration disclosures for the five highest remunerated officers in the remuneration report section of the directors' report, disclosure of options granted to such officers as part of their remuneration continues to be required in the general directors' report section in accordance with s.300(1)(d).

**Source**

s.299(1)(a), ASX-LR 4.10.17	<p><b>Review of operations</b></p> <p>The directors' report must contain a review of the consolidated entity's operations during the financial year and the results of those operations. The Corporations Act contains additional general requirements for listed public companies.</p>
s.299A(1), (2)	<p><b>Additional requirements for listed companies, listed registered schemes and listed disclosing entities</b></p> <p>The directors' report for a company, registered scheme or disclosing entity that is listed must also contain information that members of the listed entity would reasonably require to make an informed assessment of:</p> <ul style="list-style-type: none"> <li>• The operations of the consolidated entity</li> <li>• The financial position of the consolidated entity</li> <li>• The business strategies, and prospects for future financial years, of the consolidated entity.</li> </ul>
s.299A(3)	<p>The directors' report may omit material that would otherwise be included under s.299A(1)(c) concerning the consolidated entity's business strategies and prospects for future financial years, if it is likely to result in unreasonable prejudice to the consolidated entity or any entity (including the company, registered scheme or disclosing entity) that is part of the consolidated entity. If material is omitted, the report must say so.</p>
ASIC-RG 247	<p><b>ASIC Regulatory Guide 247 <i>Effective disclosure in an operating and financial review</i></b></p> <p>In preparing this disclosure, entities may wish to refer to <a href="#">ASIC Regulatory Guide 247 <i>Effective disclosure in an operating and financial review</i></a> (RG 247) as it is designed to provide guidance on preparing an operating and financial review (OFR) in the directors' report of a listed entity under s.299A of the Corporations Act.</p> <p><b><i>Preparing an operating and financial review</i></b></p> <p>An OFR should:</p> <ul style="list-style-type: none"> <li>• Contain information about an entity's operations and financial position, discuss the impact of relevant events throughout the reporting period and provide an overview of business strategies and prospects</li> <li>• Present a narrative and analysis about the entity's results and financial position</li> <li>• Contain information that shareholders would reasonably require to make an informed assessment of the entity's operations, financial position and business strategies and prospects for future financial years.</li> </ul>
	<p><b><i>Operations and financial position</i></b></p> <p>Information about an entity's operations involves an explanation of the underlying drivers of its results, and of key developments in the reporting period. In this regard, RG 247 outlines that the OFR should:</p> <ul style="list-style-type: none"> <li>• Explain the underlying drivers of its results and key developments in the reporting period, and discuss significant factors affecting the entity's results</li> <li>• Explain the entity's business model and its effect on the entity's operations</li> <li>• Discuss the results of the key operating segments and major components of the overall result</li> <li>• Often involve a consideration of the underlying drivers of, and reasons for, the financial position of the entity, and include discussion of exposures not recognised in the financial statements</li> <li>• Consider ASIC's guidance in RG 230 <i>Disclosing non-IFRS financial information</i> (see page 222).</li> </ul>



## Source

### **ASIC Regulatory Guide 247 *Effective disclosure in an operating and financial review (continued)***

#### ***Business strategies and prospects for future financial years***

Information on business strategies and prospects for future financial years should focus on what may affect the future financial performance and position of the entity. RG 247 outlines that the OFR should describe:

- The overall business strategies relevant to the entity's future financial position and performance
- The entity's prospects in terms of future financial performance and financial outcomes

If an entity intends to rely on the unreasonable prejudice exemption in s.299A(3) to omit information, the basis for relying on the exemption needs to be carefully evaluated and established.

#### ***Material business risks***

RG 247 notes that it is likely to be misleading to discuss prospects for future financial years without referring to the material business risks that could adversely affect the achievement of the financial prospects described for those years:

- ASIC considers 'material business risks' to mean the most significant areas of uncertainty or exposure, at a whole-of-entity level, that could have an adverse impact on the achievement of the financial performance or outcomes disclosed in the OFR. Equally, it may be appropriate to disclose factors that could materially improve the financial prospects disclosed
- An OFR should (1) only include a discussion of the risks that could affect the entity's achievement of the financial prospects disclosed, taking into account the nature and business of the entity and its business strategy, and (2) not contain an exhaustive list of generic risks that might potentially affect a large number of entities
- An OFR should include a discussion of environmental, social and governance risks where those risks could affect the entity's achievement of its financial performance or outcomes disclosed, taking into account the nature and business of the entity and its business strategy.

#### ***Presenting the narrative and analysis***

Directors and preparers of an OFR should present the narrative and analysis in a way that maximises its usefulness to shareholders. RG 247 notes that a matter of good practice, an OFR should present information in a single section and in a manner that is:

- Complimentary to and consistent with the annual financial report
- Balanced and unambiguous
- Clear, concise and effective.

## Source

ASX-GN 10

**ASX Guidance Note 10 Review of Operations and Activities: Listing Rule 4.10.17 and G100's Guide to Review of Operations and Financial Condition**

In addition, entities may wish to refer to [ASX Guidance Note 10 Review of Operations and Activities: Listing Rule 4.10.17](#) and to the *G100's Guide to Review of Operations and Financial Condition* reproduced as an attachment to Guidance Note 10, providing guidance on the form and content of the consolidated entity's review of operations and the results of those operations, including specific guidance on items which might be appropriately included in such a review.

It is recommended that the review should provide users, being shareholders, prospective investors and other interested stakeholders, an understanding of the consolidated entity by providing short and long-term analysis of the business as seen through the eyes of the directors. As such, the review should aim to meet the information needs of users of financial reports relating to the current reporting period and provide them with a basis for forming a view as to likely future performance in the context of the strategies of the consolidated entity for achieving long-term value creation and known trends in performance. This requires that the review contain a discussion of the operations of the period, including an explanation of unusual or infrequent events and transactions, and an analysis of the opportunities and risks facing the consolidated entity, together with the planned approach to managing those opportunities and risks. Given this context, preparers of annual reports are encouraged to provide:

- An overview of the consolidated entity and its strategy
- A review of operations, considering both short and longer-term value creation in the context of the consolidated entity's strategy
- Information on investments made to enhance future value creating potential
- A review of the consolidated entity's financial condition
- An overview of risk management and governance practices.

This is aimed at anchoring the review in a strategic context of how the consolidated entity is aiming to enhance shareholder value, both in the short and long-term. This includes discussion of both financial and non-financial elements of performance, including analysis using relevant financial and non-financial key performance indicators. The latter may include sustainability related indicators. The recommended contents of the review include:

- Consolidated entity overview and strategy:
  - Explaining the objectives of the consolidated entity and how they are to be achieved
  - Including a discussion and analysis of key financial and non-financial performance indicators used by management in their assessment of the consolidated entity and its performance (including relevant sustainability performance indicators)
  - Discussing the main factors and influences that may have a major effect on future results (including potential longer-term effects), whether or not they were significant in the period under review. This may include discussion of market opportunities and risks; competitive advantage; changes in market share or position; economic factors; key customer and other relationships; employee skills and training; environmental, occupational health and safety aspects; significant legal issues; and innovation and technological developments
- Review of operations:
  - Discussing the main activities of the consolidated entity, including significant features of operating performance for the period under review. It should cover all aspects of operations, focusing on the consolidated entity as a whole 'through the eyes of the directors'. It should not be boilerplate, and should cover significant aspects of the consolidated entity's performance in the period, financial and non-financial. Consideration should be given to unusual or infrequent events or transactions, including material acquisitions or disposals, major sources of revenues and expenses, and changes in factors which affect the results to enable users to assess the significance of the ongoing and core activities of the consolidated entity to identify the sustainability of performance over the longer-term

## Source

**ASX Guidance Note 10 Review of Operations and Activities: Listing Rule 4.10.17 and G100's Guide to Review of Operations and Financial Condition (continued)**

Providing the overall return attributable to shareholders in terms of dividends and increases in shareholders' funds, including a commentary on the comparison between the results of the financial year and dividends, both in total and in per share terms, and indicating the directors' overall distribution policy

- Providing information on investments made for future performance, including capital expenditure and other expenditure enhancing future performance potential. This may include marketing and advertising spend to enhance brand loyalty and reputation; staff training and development programmes; quality improvement and health and safety programs; customer relationship management; and expansion of production capacity
- Review of financial conditions:
  - Capital structure of the consolidated entity including capital funding and treasury policies and objectives
  - Cash from operations and other sources of capital
  - Discussion of the liquidity and funding at the end of the period under review, including restrictions on funds transfer, covenants entered into and the maturity profile of borrowings
  - Discussing the resources available to the consolidated entity not reflected in the statement of financial position, for example mineral reserves, key intellectual property (e.g. databases or specific entity competences); market-position; employee competences or resources/skills and their role in creating longer-term value
  - Impact of legislation and other external requirements having a material effect on the financial condition in the reporting period or expected to have a material effect on the financial condition in future periods
- Risk management and corporate governance practices, including management of both financial and non-financial risks.

**Non-IFRS financial information**

## ASIC-RG 230

If the directors consider it appropriate to include non-IFRS financial information in the OFR, the directors' report or another document in the annual report, the guidelines in Section D of [ASIC Regulatory Guide 230](#) *Disclosing non-IFRS financial information* should be followed to assist in reducing the risk of non-IFRS financial information being misleading<sup>56</sup>.

Important considerations include that:

- IFRS financial information should be given equal or greater prominence compared to non-IFRS financial information, in particular IFRS profit
- Non-IFRS information should:
  - Be explained and reconciled to IFRS financial information
  - Be calculated consistently from period to period
  - Be unbiased and not used to remove 'bad news'.

Entities should refer to the complete document when preparing their reports as it provides detailed guidance for presenting non-IFRS financial information.

A clear statement should be made about whether or not the non-IFRS financial information has been audited or reviewed in accordance with Australian Auditing Standards.

<sup>56</sup> Non-IFRS financial information is financial information presented other than in accordance with all relevant Australian Accounting Standards.

**Source**

**Changes in state of affairs**

s.299(1)(b) During the financial year, the consolidated entity disposed of its toy business. The consolidated entity is also seeking to dispose of its bicycle business, to focus its operations towards the manufacture and distribution of electronic equipment and leisure goods as proposed and agreed at the company's last Annual General Meeting. Other than the above, there was no significant change in the state of affairs of the consolidated entity during the financial year.

**Subsequent events**

s.299(1)(d) On 4 July 2024, the premises of Subfive Limited were seriously damaged by fire. Insurance claims are in process, but the cost of refurbishment is currently expected to exceed the amount that will be reimbursed by \$\_\_ million.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

**Future developments**

s.299(1)(e), s.299(3) Directors must bring likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations to the attention of the users of the annual report. These disclosures are not required where they would result in unreasonable prejudice to the entity.

s.299A(1)(c), (2) The directors' report for a company, registered scheme or disclosing entity that is listed must also contain information that members of the listed entity would reasonably require to make an informed assessment of the consolidated entity's prospects for future financial years.

**Use of the 'unreasonable prejudice' exemption**

In determining whether any information should be omitted in the case of 'unreasonable prejudice', RG 247 suggests that:

- Unreasonable prejudice means the consequence would be unreasonable if, for example, disclosing the information is likely to give third parties (such as competitors, suppliers and buyers) a commercial advantage, resulting in a material disadvantage to the entity
- Likely means 'more than a possibility' or 'more probable than not'.

Even where the exemption is relied upon it is still expected that some information should be able to be disclosed about an entities business strategies and prospects.

**Environmental regulations**

s.299(1)(f) If the consolidated entity's operations are subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory, the directors' report should disclose details of the consolidated entity's performance in relation to the environmental regulation.

ASIC-RG 68.74 ASIC has provided the following guidance on completing environmental regulations disclosures:

- Prima facie, the requirements would normally apply where an entity is licensed or otherwise subject to conditions for the purposes of environmental legislation or regulation
- The requirements are not related specifically to financial disclosures (e.g. contingent liabilities and capital commitments) but relate to performance in relation to environmental regulation. Hence, accounting concepts of materiality in financial statements are not applicable
- The information provided in the directors' report cannot be reduced or eliminated because information has been provided to a regulatory authority for the purposes of any environmental legislation
- The information provided in the director's report would normally be more general and less technical than information which an entity is required to provide in any compliance reports to an environmental regulator.

## Source

### Dividends

s.300(1)(a) For the financial year ended 30 June 2023, as detailed in the directors' report for that financial year, a final dividend of \_\_\_ cents per share franked to \_\_\_% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 7 October 2023.

s.300(1)(a) For the financial year ended 30 June 2024, an interim dividend of \_\_\_ cents per share franked to \_\_\_% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 6 May 2024.

s.300(1)(a) For the financial year ended 30 June 2024, a dividend of \_\_\_ cents per share franked to \_\_\_% at 30% corporate income tax rate was paid to the holders of convertible non-participating preference shares on [insert date].

s.300(1)(a) For the financial year ended 30 June 2024, an interim dividend of \_\_\_ cents per share franked to \_\_\_% at 30% corporate income tax rate was paid to the holders of redeemable cumulative preference shares on [insert date].

s.300(1)(b) For the financial year ended 30 June 2024, the directors recommend the payment of a final dividend of \_\_\_ cents per share franked to \_\_\_% at 30% corporate income tax rate on 11 October 2024 to the holders of fully paid ordinary shares on 20 September 2024.

Where no dividends have been paid or declared since the start of the financial year, and/or the directors do not recommend the payment of a dividend in respect of the financial year, the directors' report should disclose that fact.

AASB110.13 If dividends are declared (i.e. the dividends are appropriately authorised and no longer at the discretion of the entity) after the reporting date but before the financial statements are authorised for issue, the dividends are not recognized as a liability at the reporting date because no obligations exist at that time. Such dividends are disclosed in the notes to the financial statements in accordance with AASB 101 *Presentation of Financial Statements*.

### Shares under option or issued on exercise of options

The directors' report should include details of:

- s.300(1)(f) • Shares or interests issued during or since the end of the financial year as a result of the exercise of an option over unissued shares or interests
- s.300(1)(e) • Unissued shares or interests under option as at the date of the directors' report.

s.300(3) The disclosures required by s.300(1)(e) and s.300(1)(f) cover:

- Options over unissued shares and interests of the company, registered scheme or disclosing entity
- If consolidated financial statements are required – options over unissued shares and interests of any controlled entity that is a company, registered scheme or disclosing entity.

s.300(6) The details of unissued shares or interests under option should include:

- The company, registered scheme or disclosing entity that will issue shares or interests when the options are exercised
- The number and classes of those shares or interests
- The issue price, or the method of determining the issue price, of those shares or interests
- The expiry date of the options
- Any rights that option holders have under the options to participate in any share issue or interest issue of the company, registered scheme or disclosing entity or of any other body corporate or registered scheme.

## Source

s.300(7)

**Shares under option or issued on exercise of options (continued)**

The details of shares and interests issued as a result of the exercise of any option should include:

- The company, registered scheme or disclosing entity issuing the shares or interests
- The number of shares or interests issued
- If the company, registered scheme or disclosing entity has different classes of shares or interests, the class to which each of those shares or interests belongs
- The amount unpaid on each of those shares or interests
- The amount paid, or agreed to be considered as paid, on each of those shares or interests.

s.300(1)(e), s.300(3), s.300(6)

Details of unissued shares or interests under option as at the date of this report are:

Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
International GAAP Holdings Limited	[Number]	Ordinary	\$ ___	[Insert date]
International GAAP Holdings Limited	[Number]	Ordinary	\$ ___	[Insert date]

The above share options can only be exercised once the share price of International GAAP Holdings Limited exceeds \$ \_\_\_.

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the company or of any other body corporate or registered scheme.

s.300(1)(f), s.300(3), s.300(7)

Details of shares or interests issued during or since the end of the financial year as a result of exercise of an option are:

Issuing entity	Number of shares issued	Class of shares	Amount paid for shares	Amount unpaid on shares
International GAAP Holdings Limited	[Number]	Ordinary	\$ ___	\$nil

**Indemnification of officers and auditors**

s.300(1)(g), s.300(8), s.300(9)

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, Mr A.B. Grey, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Where the company has not indemnified or agreed to indemnify an officer or auditor against a liability incurred, or paid an insurance premium in respect of a contract insuring against a liability incurred by an officer or auditor, the following disclosure is encouraged:

'During or since the end of the financial year the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.'

## Source

s.300(10)(b), (c)

**Directors' meetings [public companies only]**

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 12 board meetings, 2 nomination and remuneration committee meetings, 4 audit committee meetings and 4 risk management committee meetings were held.

Directors	Board of directors		Nomination & remuneration committee		Audit committee		Risk management committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
C.J. Chambers	12	12	-	-	4	4	4	4
P.H. Taylor	12	10	-	-	-	-	-	-
F.R. Ridley	12	11	2	2	4	4	-	-
A.K. Black	-	-	-	-	-	-	-	-
B.M. Stavrinidis	12	12	2	2	4	4	4	4
W.K. Flinders	1	1	1	1	-	-	-	-
S.M. Saunders	10	9	1	1	-	-	4	4

s.300(10)

Disclosure of directors' meetings is not required for a public company which is a wholly-owned controlled entity of another company.

**Registered schemes [registered schemes only]**

s.300(12)

The directors' report for a listed registered scheme should disclose the following details for each director of the company that is the responsible entity for the scheme:

- Their relevant interests in the scheme
- Their rights or options over interests in the scheme
- Contracts to which the director is a party or under which the director is entitled to a benefit and that confer a right to call for or deliver interests in the scheme.

s.300(13)

The directors' report for a registered scheme (whether listed or unlisted) should disclose details of:

- The fees paid to the responsible entity and its associates out of scheme property during the financial year
- The number of interests in the scheme held by the responsible entity or its associates as at the end of the financial year
- Interests in the scheme issued during the financial year
- Withdrawals from the scheme during the financial year
- The value of the scheme's assets as at the end of the financial year, and the basis for the valuation
- The number of interests in the scheme as at the end of the financial year.

**Proceedings on behalf of the company**

s.300(14)

The directors' report should disclose, with respect to persons applying for leave under s.237 to bring, or intervene in, proceedings on behalf of the company, the applicant's name and a statement whether leave was granted.

s.300(15)

Where leave is granted under s.237, the directors' report should disclose the following details of any proceedings that a person has brought, or intervened in, on behalf of the company:

- The person's name
- The names of the parties to the proceedings
- Sufficient information to enable members to understand the nature and status of the proceedings (including the cause of action and any orders made by the court).

## Source

### Non-audit services *[listed companies only]*

- s.300(2A), s.300(11B)(a) Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 66 to the financial statements (see page 283).
- s.300(11B)(b) The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act.
- s.300(11B)(c) The directors are of the opinion that the services as disclosed in note 66 to the financial statements do not compromise the external auditor's independence, for the following reasons:
- APES 110 para R600.22
- *[Include for Public Interest Entities]* All non-assurance services have been approved by Those Charged with Governance as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board (APES 110)
  - All the services comply with the general principles relating to auditor independence as set out in APES 110, including not assuming management responsibilities or reviewing or auditing the auditor's own work, and ensuring threats to independence are either eliminated or reduced to an acceptable level.
- s.300C(11D)(a) The above directors' statements are in accordance with the advice received from the audit committee.
- s.300(11D) The statements under s.300(11B)(b) and (c) must be made in accordance with:
- Advice provided by the listed company's audit committee if the company has an audit committee, or
  - A resolution of the directors of the listed company if the company does not have an audit committee.
- s.300(11E) A statement is taken to be made in accordance with advice provided by the company's audit committee only if:
- The statement is consistent with that advice and does not contain any material omission of material included in that advice
  - The advice is endorsed by a resolution passed by the members of the audit committee
  - The advice is written advice signed by a member of the audit committee on behalf of the audit committee and given to the directors.
- s.298(1AA), (c) **Auditor's independence declaration**  
The auditor's independence declaration is included after this report on page 245.

### Extension of audit rotation period *[listed companies only]*

- s.300(11AA) Where, in accordance with s.324DAA, the directors of the company by resolution grant an approval for an individual to play a significant role in the audit of a listed company by extending the audit involvement period from the normal five successive financial years to six or seven successive financial years, the report must include details of and the reasons for the approval.
- s.300(11A) Where, in accordance with s.342A, ASIC has made a declaration to enable an individual who is a registered company auditor to continue to play a significant role (as defined in s.9 of the Corporations Act) in the audit of a listed company (by extending the audit involvement period from the normal five successive financial years to six or seven successive financial years), the directors' report must include details of the declaration.



## Source

s.298(1A)

### True and fair view

If the financial statements for a financial year include additional information under s.295(3)(c) to give a true and fair view of financial position and performance, the directors' report for the financial year must also:

- Set out the directors' reasons for forming the opinion that the inclusion of that additional information was necessary to give a true and fair view required by s.297
- Specify where that additional information can be found in the financial statements.

### Rounding off of amounts

If the company is of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and consequently the amounts in the directors' report and the financial statements are rounded, that fact must be disclosed in the financial statements or the directors' report.

Where the conditions of the Corporations Instrument are met, entities may round to the nearest dollar, nearest thousand dollars, nearest hundred thousand dollars, or to the nearest million dollars, depending upon the total assets of the entity. The appropriate rounding should be included in the disclosure below:

ASIC-CI 2016/191

The company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Corporations Instrument amounts in the directors' report are rounded off to the nearest *[dollar/thousand dollars / hundred thousand dollars/ million dollars]*, unless otherwise indicated.

**Source**

s.300A(1), (1A), (2)

**Remuneration report [all listed disclosing entities that are companies]**

This model remuneration report is suitable for use as a guide only and will not be appropriate for use by all companies required to prepare a remuneration report. Each company should consider its respective circumstances and amend the disclosures as necessary.

**Defined terms**s.9,  
AASB 124:9

**Key management personnel** are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

s.9

Closely related party of a member of the key management personnel for an entity is defined to include:

- A spouse or child of the member
- A child of the member's spouse
- A dependant of the member or of the member's spouse
- Anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity
- A company the member controls
- A person prescribed by the regulations for the purposes of this paragraph.

s.206K(2)(b)

A remuneration committee is a committee of the board of directors of the company that has functions relating to the remuneration of key management personnel for the company.

s.9

**Remuneration consultant** means a person:

- Who makes a remuneration recommendation under a contract for services with the company to whose key management personnel the recommendation relates
- Who is not an officer or employee of the company.

s.9B(1)-(4)

1. A remuneration recommendation is:
  - a. A recommendation about either or both of the following:
    - (i) How much the remuneration should be
    - (ii) What elements the remuneration should have
 for one or more members of the key management personnel for a company, or
  - b. A recommendation or advice about a matter or of a kind prescribed by the regulations.
2. None of the following is a remuneration recommendation (even if it would otherwise be covered by s.9B(1) above):
  - a. Advice about the operation of the law (including tax law)
  - b. Advice about the operation of accounting principles (for example, about how options should be valued)
  - c. Advice about the operation of actuarial principles and practice
  - d. The provision of facts
  - e. The provision of information of a general nature relevant to all employees of the company
  - f. A recommendation, or advice or information, of a kind prescribed by the regulations. (Regulation 1.2.01 of the of the *Corporations Regulations 2001* prescribes that for s.9B(2)(f), a recommendation, or advice or information, provided in relation to one or more members of the key management personnel for a company by an employee of a company within the same consolidated entity, is not a remuneration recommendation).
3. s.9B(2) does not limit the things that are not remuneration recommendations, nor does it mean that something specified in that subsection would otherwise be a remuneration recommendation within the meaning of s.9B(1)
4. ASIC may by writing declare that s.9B(1) above does not apply to a specified recommendation or specified advice, but may do so only if ASIC is satisfied that it would be unreasonable in the circumstances for the advice or recommendation to be a remuneration recommendation. The declaration has effect accordingly. The declaration is not a legislative instrument.

## Source

s.300A(1)(c),  
Reg2M.3.03

### Prescribed details in relation to remuneration

The prescribed details in relation to remuneration referred to in s.300A(1)(c) are detailed in Regulation 2M.3.03 of the Corporations Regulations. The prescribed details must be provided in respect of the following persons:

- If consolidated financial statements are required – each member of the key management personnel for the consolidated entity, or
- If consolidated financial statements are not required – each member of the key management personnel for the company.

s.300A(1)(d), (1)(e)

Note, s.300A(1)(d) and s.300A(1)(e) specify further remuneration details that must be made in the remuneration report in respect of the persons noted above.

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of International GAAP Holdings Limited's key management personnel for the financial year ended 30 June 2024. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity. The prescribed details for each person covered by this report are detailed below under the following headings:

- Key management personnel
- Remuneration policy
- Relationship between the remuneration policy and company performance
- Remuneration of key management personnel
- Key terms of employment contracts.

### Key management personnel

Reg2M.3.03 (1)  
(Item 1-5)

The directors and other key management personnel of the consolidated entity during or since the end of the financial year were:

#### Non-executive directors

C.J. Chambers  
F.R. Ridley  
A.K. Black (appointed 17 July 2023)  
B.M. Stavrinidis  
W.K. Flinders (resigned 7 August 2023)  
S.M. Saunders (appointed 7 August 2023,  
resigned 12 July 2024)

#### Position

Chairman, Non-executive director  
Non-executive director  
Non-executive director  
Non-executive director  
Non-executive director  
Non-executive director

#### Executive officers

P.H. Taylor  
W.L. Lee  
L.J. Jackson  
C.P. Daniels (resigned 20 July 2023)  
N.W. Wright (resigned 15 December 2023)  
T.L. Smith (appointed 18 July 2023)

#### Position

Executive Director, Chief Executive Officer  
Chief Financial Officer  
Chief Marketing Officer  
Chief Operations Officer  
General Manager – *[describe]*  
General Manager – *[describe]*

Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year.

**Source****Remuneration policy**

s.300A(1)(a)

The directors' report for a financial year for a company must include (in a separate and clearly identified section of the report) discussion of board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of the key management personnel for:

- (a) The company, if consolidated financial statements are not required, or
- (b) The consolidated entity, if consolidated financial statements are required.

The report must also include:

s.300A(1)(f)

- Such other matters related to the policy or policies referred to in s.300A(1)(a) above as are prescribed by the regulations, and

s.300A(1)(g)

- If:
  - At the company's most recent AGM, comments were made on the remuneration report that was considered at that AGM, and
  - When a resolution that the remuneration report for the last financial year be adopted was put to the vote at the company's most recent AGM, at least 25% of the votes cast were against adoption of that report,

an explanation of the board's proposed action in response or, if the board does not propose any action, the board's reasons for inaction.

s.300A(1)(h)

- If a remuneration consultant made a remuneration recommendation in relation to any of the key management personnel for the company or, if consolidated financial statements are required, for the consolidated entity, for the financial year:
  - The name of the consultant
  - A statement that the consultant made such a recommendation
  - If the consultant provided any other kind of advice to the company or entity for the financial year – a statement that the consultant provided that other kind or those other kinds of advice
  - The amount and nature of the consideration payable for the remuneration recommendation
  - The amount and nature of the consideration payable for any other kind of advice referred to in subparagraph (iii)
  - Information about the arrangements the company made to ensure that the making of the remuneration recommendation would be free from undue influence by the member or members of the key management personnel to whom the recommendation relates
  - A statement about whether the board is satisfied that the remuneration recommendation was made free from undue influence by the member or members of the key management personnel to whom the recommendation relates
  - If the board is satisfied that the remuneration recommendation was made free from undue influence by the member or members of the key management personnel to whom the recommendation relates – the board's reasons for being satisfied of this.

## Source

**Relationship between the remuneration policy and company performance**

A disclosing entity that is a company must disclose:

- s.300A(1)(e)(i) • An explanation of the relative proportions of those elements of the remuneration of a member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity, that are related to performance and those elements of the person's remuneration that are not
- s.300A(1)(ba) • If an element of the remuneration of a member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity, is dependent on the satisfaction of a performance condition:
  - A detailed summary of the performance condition
  - An explanation of why the performance condition was chosen
  - A summary of the methods used in assessing whether the performance condition is satisfied and an explanation of why those methods were chosen
  - If the performance condition involves a comparison with factors external to the company:
    - A summary of the factors to be used in making the comparison
    - If any of the factors relates to the performance of another company, of 2 or more other companies or of an index in which the securities of a company or companies are included – the identity of that company, of each of those companies or of the index
- s.300A(1)(d) • If an element of the remuneration of a member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity consists of securities of a body and that element is not dependent on the satisfaction of a performance condition – an explanation of why that element of the remuneration is not dependent on the satisfaction of a performance condition must be disclosed.

**No hedging of remuneration of key management personnel**

- s.206J(1) A member of the key management personnel for a company that is a disclosing entity, or a closely related party of such a member, must not enter into an arrangement (with anyone) if the arrangement would have the effect of limiting the exposure of the member to risk relating to an element of the member's remuneration that:
  - Has not vested in the member, or
  - Has vested in the member but remains subject to a holding lock.
- s.206J(2) Without limiting s.206J(1)(a), remuneration that is not payable to a member until a particular day is, until that day, remuneration that has not vested in the member.
- s.206J(3) In determining whether an arrangement has the effect described in s.206J(1) in relation to an element of remuneration described in that subsection, regard is to be had to the regulations made for the purposes of this subsection (see Regulation 2D.7.01 of the *Corporations Regulations 2001*).

Source

**Discussion of the relationship between the remuneration policy and company performance**

s.300A(1)(b) The directors' report must include discussion of the relationship between the remuneration policy for key management personnel and the company's performance.

s.300A (1AA) Without limiting the requirements of s.300A(1)(b), the discussion under that subsection of the company's performance must specifically deal with:

- The company's earnings
- The consequences of the company's performance on shareholder wealth,

in the financial year to which the report relates and in the previous 4 financial years.

s.300A (1AB) In determining the consequences of the company's performance on shareholder wealth in a financial year, the entity must have regard to:

- Dividends paid by the company to its shareholders during that year
- Changes in the price at which shares in the company are traded between the beginning and the end of that year
- Any return of capital by the company to its shareholders during that year that involves:
  - The cancellation of shares in the company
  - A payment to the holders of those shares that exceeds the price at which shares in that class are being traded at the time when the shares are cancelled
- Any other relevant matter.

s.300A(1)(b) Illustrated below is an example of how an entity may present information to comply with s.300A(1AA) and s.300A(1AB). Alternatively, an entity may elect to present such information graphically. The illustrative tables must be accompanied by discussion relevant to explaining the relationship between the remuneration policy and company performance.

s.300A (1AA), (1AB) The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to 30 June 2024:

	<b>30 Jun 24</b>	<b>30 Jun 23</b>	<b>30 Jun 22</b>	<b>30 Jun 21</b>	<b>30 Jun 20</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue					
Net profit before tax					
Net profit after tax					
	<b>30 Jun 24</b>	<b>30 Jun 23</b>	<b>30 Jun 22</b>	<b>30 Jun 21</b>	<b>30 Jun 20</b>
Share price at start of year	\$ ___	\$ ___	\$ ___	\$ ___	\$ ___
Share price at end of year	\$ ___	\$ ___	\$ ___	\$ ___	\$ ___
Interim dividend <sup>(i)</sup>	___ cps	___ cps	___ cps	___ cps	___ cps
Final dividend <sup>(i),(ii)</sup>	___ cps	___ cps	___ cps	___ cps	___ cps
Basic earnings per share	___ cps	___ cps	___ cps	___ cps	___ cps
Diluted earnings per share	___ cps	___ cps	___ cps	___ cps	___ cps

(i) Franked to \_\_\_% at 30% corporate income tax rate.

(ii) Declared after the end of the reporting period and not reflected in the financial statements.

In addition, during the financial year International GAAP Holdings Limited repurchased \_\_\_ shares for \$ \_\_\_. The shares were repurchased at the prevailing market price on the date of the buy-back.

## Source

Reg2M.3.03(1)  
(Item 6-9, 11)

## Remuneration of key management personnel

2024	Short-term employee benefits				Post-employment benefits	Long-term employee benefits	Share-based payments	Total
	Salary & fees	Cash bonus	Non-monetary	Other	Super-annuation	Long service leave	Options & rights (i)	
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-executive directors</b>								
C.J. Chambers	76,000	-	28,050	1,250	-	-	-	105,300
F.R. Ridley	65,000	-	25,091	854	-	-	-	90,945
B.M. Stavrinidis	65,000	-	26,800	685	-	-	-	92,485
W.K. Flinders	4,000	-	800	200	-	-	-	5,000
S.M. Saunders	65,000	-	15,159	689	-	-	-	80,848
<b>Executive officers</b>								
P.H. Taylor	261,600	-	66,280	1,240	30,000	5,400	105,600	470,120
W.L. Lee	183,712	10,000	6,796	-	17,937	8,788	7,500	234,733
L.J. Jackson	187,928	-	16,481	-	20,000	4,572	7,500	236,481
C.P. Daniels	185,500	-	14,805	-	20,000	-	5,000	225,305
N.W. Wright	184,000	-	12,761	-	17,708	-	5,000	219,469
T.L. Smith	180,000	-	4,734	-	16,716	1,000	8,663	211,113
								1,971,799

Reg2M.3.03(1)  
(Item 6-9, 11)

2023	Short-term employee benefits				Post-employment benefits	Long-term employee benefits	Share-based payments	Total
	Salary & fees	Cash bonus	Non-monetary	Other	Super-annuation	Long service leave	Options & rights (i)	
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-executive directors</b>								
C.J. Chambers	65,125	-	25,400	1,125	-	-	-	91,650
F.R. Ridley	62,000	-	23,162	850	-	-	-	86,012
B.M. Stavrinidis	62,000	-	24,350	670	-	-	-	87,020
W.K. Flinders	62,000	-	24,350	680	-	-	-	87,030
O.H. O'Brien	36,750	-	20,120	312	-	-	-	57,182
<b>Executive officers</b>								
P.H. Taylor	229,860	-	53,800	1,125	38,000	10,140	57,500	390,425
W.L. Lee	179,372	-	5,980	-	17,300	6,878	-	209,530
L.J. Jackson	180,690	-	14,503	-	20,000	5,560	-	220,753
C.P. Daniels	171,250	-	13,028	-	20,000	7,750	-	212,028
N.W. Wright	173,738	-	11,230	-	17,500	4,587	-	207,055
E.P. Hart	179,375	-	12,500	-	17,270	-	-	209,145
								1,857,830

- (i) The value of the options and rights granted to key management personnel as part of their remuneration is calculated as at the grant date using a binomial pricing model. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date.

**Source**

s.300A(1)(e)(i)

The relative proportions of those elements of remuneration of key management personnel that are linked to performance:

	Fixed remuneration		Remuneration linked to performance	
	2024	2023	2024	2023
<b>Non-executive directors</b>				
C.J. Chambers	100%	100%	-	-
F.R. Ridley	100%	100%	-	-
B.M. Stavrandis	100%	100%	-	-
W.K. Flinders	100%	100%	-	-
O.H. O'Brien	100%	100%	-	-
<b>Executive officers</b>				
P.H. Taylor	77.5%	85.3%	22.5%	14.7%
W.L. Lee	92.5%	100.0%	7.5%	-
L.J. Jackson	96.8%	100.0%	3.2%	-
C.P. Daniels	97.8%	100.0%	2.2%	-
N.W. Wright	97.7%	100.0%	2.3%	-
E.P. Hart	95.9%	100.0%	4.1%	-

Reg2M.3.03(1)  
(Item 10)

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

**Payments and benefits**Reg2M.3.03(1)  
(Item 6-11)

The tables above do not illustrate all the payments and benefits specified by Regulation 2M.3.03 that must be disclosed, if present. Disclosure of the following payments and benefits in respect of each s.300A(1)(c) identified person is required:

- The person's short-term employee benefits, divided into at least the following components:
  - Cash salary, fees and short-term compensated absences
  - Short-term cash profit-sharing and other bonuses
  - Non-monetary benefits
  - Other short-term employee benefits
- The person's post-employment benefits, divided into at least the following components:
  - Pension and superannuation benefits
  - Other post-employment benefits
- The person's long-term employee benefits other than benefits mentioned in items 6 and 7 (i.e. short-term employee benefits and post-employment benefits) and long-term, separately identifying any amount attributable to a long-term incentive plan
- The person's termination benefits
- For any position the person started to hold during the financial year, payments (if any) made to the person, before the person started to hold the position, as part of the consideration for the person agreeing to hold the position, including:
  - The monetary value of the payment
  - The date of the payment
- Share-based payments made to the person, divided into at least the following components:
  - Equity-settled share based payment transactions, showing separately:
    - Shares and units
    - Options and rights
  - Cash-settled share based payment transactions
  - All other forms of share based payment compensation (including hybrids).



## Source

**Total of a person's compensation**

Disclosure of the total compensation for each identified person is not specifically required by s.300A or Regulation 2M.3.03, however we recommend that it be made as a matter of good practice.

**Comparative information**

Reg2M.3.03(2)

For items 6-9 and 11 of Regulation 2M.3.03, information of the kind described in the item for the previous financial year must also be disclosed in the financial year to which the item relates (to give comparative information for the purposes of the item), but this does not apply in relation to the first financial year in which paragraph 300A(1)(c) of the Corporations Act applies in relation to a person.

**Bonuses and share-based payments granted as compensation for the current financial year**Reg2M.3.03(1)  
(Item 12)**Cash bonuses**

W.L. Lee was granted a cash bonus of \$10,000 on [date]. The cash bonus was given on successful acquisition by the consolidated entity, for his identification of the manufacturing business of Subseven Limited as an advantageous investment opportunity earlier in the reporting period.

No other cash bonuses were granted during the financial year.

Reg2M.3.03  
(1)(Item 12(b), (c),  
15(b)(ii), (b)(iii),  
(b)(v))**Employee share option plan**

International GAAP Holdings Limited operates an ownership-based scheme for executives and senior employees of the consolidated entity. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, executives and senior employees with more than five years service with the company may be granted options to purchase parcels of ordinary shares at an exercise price of \$1.00 per ordinary share.

Each employee share option converts into one ordinary share of International GAAP Holdings Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is calculated in accordance with the performance based formula approved by shareholders at a previous annual general meeting and is subject to approval by the Remuneration Committee. The formula rewards executives and senior employees against the extent of the consolidated entity's and individual's achievement against both qualitative and quantitative criteria from the following financial and customer service measures:

- Improvement in share price
- Improvement in net profit
- Improvement in return to shareholders
- Reduction in warranty claims
- Results of client satisfaction surveys
- Reduction in rate of staff turnover

The options granted expire within twelve months of their issue, or one month of the resignation of the executive or senior employee, whichever is the earlier.

Reg2M.3.03(1)  
(Item 12(a), (b), (g),  
15(b)(i), (b)(ii), (b)(iv),  
(b)(vi))  
s.300A(e)(ii)

Terms and conditions of share-based payment arrangements affecting remuneration of key management personnel in the current financial year or future financial years:

Options series	Grant date	Grant date fair value	Exercise price	Expiry date	Vesting date
Series 3	30/03/22	\$ ____	\$ ____	30/03/25	Vests at the date of grant.
Series 4	30/09/23	\$ ____	\$ ____	30/09/25	Vests on the date that the International GAAP Holdings Limited share price exceeds \$4.00, and provided that the eligible recipient is employed by the company on that date

**Source**Reg2M.3.03(1)  
(Item 12(d), 14)**Employee share option plan (continued)**

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date.

Details of share-based payments granted as compensation to key management personnel during the current financial year:

Reg2M.3.03(1)  
(Item 12(e), (f)  
15(a))

Name	Option series	During the financial year			% of grant forfeited
		No. granted	No. vested	% of grant vested	
P.H. Taylor	Series 3	88,000	88,000	100%	n/a
W.L. Lee	Series 3	6,250	6,250	100%	n/a
L.J. Jackson	Series 3	6,250	6,250	100%	n/a
C.P. Daniels	Series 3	4,167	4,167	100%	n/a
N.W. Wright	Series 3	4,167	4,167	100%	n/a
T.L. Smith	Series 4	32,036	nil	nil	nil

Reg2M.3.03(1)  
(Item 16)

During the year, the following key management personnel exercised options that were granted to them as part of their compensation. Each option converts into one ordinary share of International GAAP Holdings Limited.

Name	No. of options exercised	No. of ordinary shares of International GAAP Holdings Limited		Amount paid	Amount unpaid
		issued			
P.H. Taylor	50,000	50,000		\$50,000	\$nil
W.L. Lee	6,250	6,250		\$6,250	\$nil
L.J. Jackson	6,250	6,250		\$6,250	\$nil
C.P. Daniels	4,167	4,167		\$4,167	\$nil
N.W. Wright	4,167	4,167		\$4,167	\$nil

s.300A(1)(e)(ii)-(iii)

The following table summarises the value of options granted and exercised during the financial year, in relation to options granted to key management personnel as part of their remuneration:

Name	Value of options granted at the grant date (i)	Value of options exercised at the exercise date (ii)
	\$	\$
P.H. Taylor	105,600	88,000
W.L. Lee	7,500	15,750
L.J. Jackson	7,500	15,750
C.P. Daniels	5,000	10,501
N.W. Wright	5,000	10,501
T.L. Smith	33,638	-

- (i) The value of options granted during the financial year is calculated as at the grant date using a binomial pricing model. This grant date value is allocated to remuneration of key management personnel on a straight-line basis over the period from grant date to vesting date.
- (ii) The value of options exercised during the financial year is calculated as at the exercise date using a binomial pricing model.

**Source**

s.300A(1) (e)(iv)

**Employee share option plan (continued)**

The following table summarises the number of options that lapsed during the financial year, in relation to options granted to key management personnel as part of their remuneration:

Name	Financial year in which the options were granted	No. of options lapsed during the current year
<i>[name]</i>	<i>[year]</i>	-

Reg2M.3.03(1)  
(Item 12)

**Compensation**

For each grant of a cash bonus, performance related bonus or share-based payment compensation benefit made to a member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity, whether part of a specific contract for services or not, the remuneration report must include the terms and conditions of each grant affecting compensation in the reporting period or a future reporting period, including the following:

- The grant date
- The nature of the compensation
- The service and performance criteria used to determine the amount of compensation
- If there has been any alteration of the terms or conditions of the grant since the grant date – the date, details and effect of each alteration (see also 'alterations and modifications' below)
- The percentage of the bonus or grant for the financial year that was paid to the person or that vested in the person, in the financial year
- The percentage of the bonus or grant for the financial year that was forfeited by the person (because the person did not meet the service and performance criteria for the bonus or grant) in the financial year
- The financial years, after the financial year which the report relates, for which the bonus or grant will be payable if the person meets the service and performance criteria for the bonus or grant
- Estimates of the maximum and minimum possible total value of the bonus or grant (other than option grants) for financial years after the financial year to which the report relates.

## Source

### Options and rights over equity instruments

Reg2M.3.03(3)

A disclosure required by Regulation 2M.3.03(1)(Items 15-19) must:

- Be separated into each class of equity instrument
- Identify each class of equity instrument by:
  - The name of the disclosing entity or the relevant subsidiary that issued the equity instrument
  - The class of equity instrument
  - If the instrument is an option or right – the class and number of equity instruments for which it may be exercised.

Reg2M.3.03(1)  
(Item 15)

If options and rights over an equity instrument issued or issuable by the disclosing entity or any of its subsidiaries have been provided as compensation to a member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity, during the reporting period:

- The number of options and the number of rights that, during the reporting period:
  - Have been granted
  - Have vested
- The terms and conditions of each grant made during the reporting period, including:
  - The fair value per option or right at grant date
  - The exercise price per share or unit
  - The amount, if any, paid or payable, by the recipient
  - The expiry date
  - The date or dates when the options or rights may be exercised
  - A summary of the service and performance criteria that must be met before the beneficial interest vests in the person.

Reg2M.3.03(1)  
(Item 16)

If an equity instrument that is issued or issuable by the disclosing entity or any of its subsidiaries has been provided as a result of the exercise during the reporting period of options and rights that have been granted as compensation to a person:

- The number of equity instruments
- If the number of options or rights exercised differs from the number of equity instruments disclosed under paragraph (a) – the number of options or rights exercised
- The amount paid per instrument
- The amount unpaid per instrument.

## Source

Reg2M.3.03(1)  
(Item 14)

### Alterations and modifications

If the terms of share-based payment transactions (including options or rights) granted as compensation to key management personnel have been altered or modified by the disclosing entity or any of its subsidiaries during the reporting period:

- The date of the alteration
- The market price of the underlying equity instrument at the date of the alteration
- The terms of the grant of compensation immediately before the alteration, including:
  - The number and class of the underlying equity instruments, exercise price
  - The time remaining until expiry
  - Each other condition in the terms that affects the vesting or exercise of an option or other right
- The new terms
- The difference between:
  - The total of the fair value of the options or other rights affected by the alteration immediately before the alteration
  - The total of the fair value of the options or other rights immediately after the alteration.

s.300A(1)(e)(vii)  
Reg2M.3.03(1)  
(Item 13)

### Key terms of employment contracts

The report must also include, for each member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity:

- If the person is employed by the company under a contract – the duration of the contract, the periods of notice required to terminate the contract and the termination payments provided for under the contract
- For each contract for services between a person and the disclosing entity (or any of its subsidiaries), any further explanation that is necessary in addition to those prescribed in s.300A(1)(ba) and Regulation 2M.3.03(1)(Item 12) to provide an understanding of:
  - How the amount of compensation in the current reporting period was determined
  - How the terms of the contract affect compensation in future periods.

**Source**

Reg2M.3.03(1)  
(Item 20)

**Loans to key management personnel**

The Group has provided several of its key management personnel with short-term loans at a 2% interest rate per annum.

The loans to key management personnel are unsecured.

The following table outlines aggregate amounts in respect of loans made to key management personnel of the Group.

Reg 2M.3.03  
(3A)

The disclosures required by Regulation 2M3.03(1)(Item 20) and Regulation 2M3.03(1)(Item 21) below do not include loans involved in transactions that are in-substance options, including non-recourse loans.

Where such loan arrangements exist and are excluded from the table the following disclosure is recommended: 'These balances do not include loans that are in-substance options and are non-recourse to the Group.'

Reg2M.3.03(1)  
(Item 20)

Balance at 01/07/2023 \$	Interest charged \$	Arm's length interest differential (i) \$	Allowance for doubtful receivables \$	Balance at 30/06/2024 \$	Number of key management personnel
[amount]	[amount]	[amount]	[amount]	[amount]	[number]

(i) The amount above refers to the difference between the amount of interest paid and payable in the reporting period and the amount of interest that would have been charged on an arms-length basis.

**Key management personnel with loans above \$100,000 in the reporting period:**

Reg2M.3.03(1)  
(Item 21)

The Group has provided several of its key management personnel with short-term loans at rates comparable to the average commercial rate of interest.

The loans to key management personnel are unsecured.

The following table outlines amounts in relation to loans above \$100,000 made to key management personnel of the Group:

Reg2M.3.03(1)  
(Item 21)

Name	Balance at 01/07/2023 \$	Interest charged \$	Arm's length interest differential (i) \$	Allowance for doubtful receivables \$	Balance at 30/06/2024 \$	Highest loan balance during the period \$
F.R. Ridley						
B.M. Stavrinidis						
C.P. Daniels						

(i) The amount above refers to the difference between the amount of interest paid and payable in the reporting period and the amount of interest that would have been charged on an arms-length basis.

## Source

Reg2M.3.03 (1)  
(Item 18)

## Key management personnel equity holdings

Fully paid ordinary shares of International GAAP Holdings Limited

Name	Balance at	Granted as	Received on	Net other	Balance at	Balance held
	01/07/2023	compensation	exercise of	change	30/06/2024	nominally
	No.	No.	options	No.	No.	No.
C.J. Chambers	5,000	-	-	-	5,000	-
P.H. Taylor	1,500	-	50,000	(1,500)	50,000	-
A.K. Black	9,000	-	-	(8,000)	1,000	-
W.L. Lee	2,520	-	6,250	3,500	12,270	3,500
L.J. Jackson	1,250	-	6,250	(1,500)	6,000	800
C.P. Daniels	4,584	-	4,167	-	8,751	-

Convertible notes of International GAAP Holdings Limited

Name	Balance at	Granted as	Received on	Net other	Balance	Balance held
	01/07/2023	compensation	exercise of	change	at 30/06/2024	nominally
	No.	No.	options	No.	No.	No.
C.J. Chambers	-	-	-	3,000	3,000	-
P.H. Taylor	-	-	-	15,000	15,000	-

Share options of International GAAP Holdings Limited

Reg2M.3.03 (1)  
(Item 17)

Name	Bal at	Granted as	Exercised	Net other	Bal at	Bal vested	Vested but	Vested	Options
	01/07/2023	compensation			30/06/2024	at	not exer-	and exer-	
	No.	No.	No.	No.	No.	No.	cisable	cisable	during
							No.	No.	year
P.H. Taylor	50,000	88,000	(50,000)	-	88,000	88,000	-	88,000	88,000
W.L. Lee	-	6,250	(6,250)	-	-	-	-	-	6,250
L.J. Jackson	-	6,250	(6,250)	-	-	-	-	-	6,250
C.P. Daniels	-	4,167	(4,167)	-	-	-	-	-	4,167
N.W. Wright	-	4,167	(4,167)	-	-	-	-	-	4,167
T.L. Smith	-	32,036	-	-	32,036	-	-	-	-

All share options issued to key management personnel were made in accordance with the provisions of the employee share option plan.

During the financial year, 70,834 options were exercised by key management personnel at an exercise price of \$1 per option for 70,834 ordinary shares in International GAAP Holdings Limited. No amounts remain unpaid on the options exercised during the financial year at year end.

Further details of the employee share option plan and of share options granted during the 2024 and 2023 financial years are contained in note 57 to the financial statements.

**Source**

Reg2M.3.03(1)  
(Item 19)

**Key management personnel equity holdings (continued)**

For a transaction (other than share based payment compensation) that:

- Involves an equity instrument issued or issuable by the disclosing entity or any of its subsidiaries
- Has occurred, during the reporting period, between the disclosing entity or any of its subsidiaries and any of the following:
  - A key management person
  - A close member of the family of that person
  - An entity over which the person or the family member has, either directly or indirectly, control, joint control or significant influence

If the terms or conditions of the transaction were more favourable than those that it is reasonable to expect the entity would adopt if dealing at arms-length with an unrelated person, the remuneration report must detail:

- The nature of each different type of transaction
- For each transaction, the terms and conditions of the transaction.

Reg 2M.3.03(1)  
(Item 22)

**Other transactions with key management personnel of the Group**

During the financial year, the Group recognised interest revenue of \$\_\_\_ in relation to debentures with a carrying value of \$\_\_\_ offered by a company related to Mr B.M. Stavrinidis and held by Subone Finance Pty Ltd. The debentures return interest of \_\_\_ % p.a., payable monthly. The debentures mature on *[insert date]*.

Reg 2M.3.03(1)  
(Item 23-24)

Profit for the year includes the following items of revenue and expense that resulted from transactions, other than compensation, loans or equity holdings, with key management personnel or their related entities:

Consolidated revenue includes the following amounts arising from transactions with key management personnel of the Group or their related parties:

- Interest revenue
- Dividend revenue
- Other

**2024**

Consolidated profit includes the following expenses arising from transactions with key management personnel of the Group or their related parties:

- Interest expense
- Net amounts written-off and allowances for doubtful receivables
- Other

Total assets arising from transactions other than loans and amounts receivable in relation to equity instruments with key management personnel or their related parties:

- Current
- Allowance for doubtful receivables
- Non-current

Total liabilities arising from transactions other than compensation with key management personnel or their related parties:

- Current
- Non-current



## Source

Reg 2M.3.03 (3B)

### Other transactions with key management personnel of the Group (continued)

A transaction with, or an amount that is receivable from or payable under a transaction to, a key management person, a close member of the family of that person, or an entity over which the person or the family member has, directly or indirectly, control, joint control or significant influence, is excluded from the requirements of items 22 to 24 of Regulation 2M.3.03 if:

- The transaction occurs within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing at arms-length with an unrelated person
- Information about the transaction does not have the potential to affect adversely decisions about the allocation of scarce resources made by users of the financial statements, or the discharge of accountability by the key management person
- The transaction is trivial or domestic in nature.

s.298(2)

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors

(Signature)

C.J. Chambers

Director

Sydney, 16 September 2024

# Auditor's independence declaration

## Source

**Deloitte.**

Deloitte Touche Tohmatsu  
ABN 74 490 121 060

Quay Quarter Tower  
50 Bridge Street  
Sydney NSW 2000  
Australia

Phone: +61 (02) 9322 7000  
www.deloitte.com

The Board of Directors  
International GAAP Holdings Limited  
167 Admin Ave  
Sydney NSW 2000

16 September 2024

Dear Board Members

### **Auditor's Independence Declaration to International GAAP Holdings Limited**

s.298(1AA)(c), s.307C,  
ASIC-CI 2016/188

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of International GAAP Holdings Limited.

As lead audit partner for the audit of the financial report of International GAAP Holdings Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

T.L. Green  
Partner  
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.  
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

## Source

s.307C(1), (3)

If an audit firm, audit company or individual auditor conducts an audit or review of the financial report for the financial year, the individual or lead auditor must give the directors of the company, registered scheme, registrable superannuation entity or disclosing entity a written declaration that, to the best of the individual or lead auditor's knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act in relation to the audit or review
- No contraventions of any applicable code of professional conduct in relation to the audit or review.

Alternatively, if contraventions have occurred, the auditor is required to set out those contraventions in a written declaration that, and include a statement in the declaration that to the best of the individual or lead auditor's knowledge and belief, those contraventions are the only contraventions of:

- The auditor independence requirements of the Corporations Act in relation to the audit or review, or
- Any applicable code of professional conduct in relation to the audit or review.

s.307C(5)(a)

The auditor's independence declaration must be given when the audit report is given to the directors of the company, registered scheme, registrable superannuation entity or disclosing entity (other than when the conditions in s.307(5A) are satisfied – see below) and must be signed by the person making the declaration.

s.307C(5A)

A declaration under s.307C(1) or s.307C(3) in relation to financial report for a financial year satisfies the conditions in this subsection if:

- The declaration is given to the directors of the company, registered scheme, registrable superannuation entity or disclosing entity before the directors pass a resolution under s.298(2) in relation to the directors' report for the financial year
- A director signs the directors' report within 7 days after the declaration is given to the directors
- The auditors' report on the financial report is made within 7 days after the directors' report is signed
- The auditors' report includes either of the following statements:
  - A statement to the effect that the declaration would be in the same terms if it had been given to the directors at the time that auditors' report was made
  - A statement to the effect that circumstances have changed since the declaration was given to the directors, and setting out how the declaration would differ if it had been given to the directors at the time the auditor's report was made.

s.307C(5B)

An individual auditor or lead auditor is not required to give a declaration under s.307C(1) and s.307C(3) in respect of a contravention if:

- The contravention was a contravention by a person of s.324CE(2) or s.324CG(2) (strict liability contravention of specific independence requirements by individual auditor or audit firm), or s.324CF(2) (contravention of independence requirements by members of audit firms)
- The person does not commit an offence because of s.324CE(4), s.324CF(4) or s.324CG(4) (quality control system defence).

s.301(5), 298(1AA), (1AC)

A company that is eligible to adopt the corporate governance concessions available to certain crowd-sourced funded public companies is not required to include a copy of the auditor's independence declaration in its financial report where an auditor has not been appointed or where an audit is not required due to the operation of the concessions.

# Independent auditor's report

## Source

### Independent auditor's report to the members of International GAAP Holdings Limited

An independent auditor's report shall be prepared by the auditor  
in accordance with the Australian Auditing Standards.

#### Duty to form an opinion

The auditor is required to form an opinion on the following:

- s.307(a), s.308(1)
  - Whether the financial report is in accordance with the Corporations Act, including:
    - Whether the financial report complies with Australian Accounting Standards
    - Whether the financial report gives a true and fair view of the financial performance and position of the entity (or consolidated entity)
- s.307(aa)
  - If the financial report includes additional information under s.295(3)(c) (information included to give true and fair view of financial position and performance) – whether the inclusion of that additional information was necessary to give the true and fair view required by s.297
- s.307(b)
  - Whether the auditor has been given all information, explanations and assistance necessary for the conduct of the audit
- s.307(c)
  - Whether the company, registered scheme, registrable superannuation entity or disclosing entity has kept financial records sufficient to enable a financial report to be prepared and audited
- s.307(d)
  - Whether the company, registered scheme, registrable superannuation entity or disclosing entity has kept other records and registers as required by the Corporations Act
- s.308(3C)
  - If the directors' report for the financial year includes a remuneration report, whether the auditor is of the opinion that the remuneration report complies with s.300A of the Corporations Act. If not of that opinion, the auditor's report must say why

s.308(3)(b) The auditor is required to include in the audit report particulars of any deficiency, failure or shortcoming in respect of any matter referred to in s.307(b), (c) or (d) above (see 'Duty to report' below).

#### Qualified audit opinions

s.308(2) Where, in the auditor's opinion, there has been a departure from a particular Australian Accounting Standard, the audit report must, to the extent that is practicable to do so, quantify the effect that non-compliance has on the financial report. If it is not practicable to quantify the effect fully, the report must say why.

## Source

s.308(3)

### Duty to report

The auditor's report must describe:

s.308(3)(a)  
s.308(3)(b)

- Any defect or irregularity in the financial report
- Any deficiency, failure or shortcoming in respect of the matters referred to in s.307(b), (c) or (d), i.e.:

s.307(b)

- Whether the auditor has been given all information, explanations and assistance necessary for the conduct of the audit

s.307(c)

- Whether the company, registered scheme, registrable superannuation entity or disclosing entity has kept financial records sufficient to enable a financial report to be prepared and audited

s.307(d)

- Whether the company, registered scheme, registrable superannuation entity or disclosing entity has kept other records and registers as required by the Corporations Act.

s.308(3A)

The audit report must include any statements or disclosures required by the auditing standards.

s.308(3B)

If the financial report includes additional information under s.295(3)(c) (information included to give true and fair view of financial position and performance), the audit report must also include a statement of the auditor's opinion on whether the inclusion of that additional information was necessary to give the true and fair view required by s.297.

s.308(3C)

If the directors' report for the financial year includes a remuneration report, whether the auditor is of the opinion that the remuneration report complies with s.300A of the Corporations Act. If not of that opinion, the auditor's report must say why.

### Duty to inform

s.311

The auditor must inform ASIC in writing if the auditor is aware of circumstances that:

- The auditor has reasonable grounds to suspect amount to a contravention of the Corporations Act, or
- Amount to an attempt, in relation to the audit, by any person to unduly influence, coerce, manipulate or mislead a person involved in the conduct of the audit, or
- Amount to an attempt, by any person, to otherwise interfere with the proper conduct of the audit.

The auditor is required to notify ASIC in writing of the circumstances of the matters outlined above as soon as practicable and in any case within 28 days, after the auditor becomes aware of those circumstances.

ASIC-RG 34

[ASIC Regulatory Guide 34](#) *Auditor's obligations: Reporting to ASIC* provides guidance on the procedures to be followed by registered company auditors in complying with s.311 of the Corporations Act, including specific reference to evidence of a contravention, examples of contraventions and timing of notification.

### Communicating Key Audit Matters

#### Requirement to report

ASA701.5

ASA 701 *Communicating Key Audit Matters in the Independent Auditor's Report* applies to audits of general purpose financial reports of listed entities and circumstances when the auditor otherwise decides to communicate key audit matters in the auditor's report. ASA 701 also applies when the auditor is required by law or regulation to communicate key audit matters in the auditor's report. However, ASA 705 *Modifications to the Opinion in the Independent Auditor's Report* prohibits the auditor from communicating key audit matters when the auditor disclaims an opinion on the financial report, unless such reporting is required by law or regulation.

Source

**Communicating Key Audit Matters (continued)**

*What is required to be reported*

ASA701.11 The auditor shall describe each key audit matter, using an appropriate subheading, in a separate section of the auditor's report under the heading "Key Audit Matters," unless the circumstances in ASA 701.14 or ASA 701.15 apply. The introductory language in this section of the auditor's report shall state that:

- Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial report (of the current period), and
- These matters were addressed in the context of the audit of the financial report as a whole, and in forming the auditor's opinion thereon, and the auditor does not provide a separate opinion on these matters.

ASA701.14 The auditor shall describe each key audit matter in the auditor's report unless:

- Law or regulation precludes public disclosure about the matter, or
- In extremely rare circumstances, the auditor determines that the matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. This shall not apply if the entity has publicly disclosed information about the matter.

ASA701.15 A matter giving rise to a modified opinion in accordance with ASA 705, or a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with ASA 570, are by their nature key audit matters. However, in such circumstances, these matters shall not be described in the Key Audit Matters section of the auditor's report.

*Description of individual Key Audit Matters*

ASA701.13 The description of each key audit matter in the Key Audit Matters section of the auditor's report shall include a reference to the related disclosure(s), if any, in the financial report and shall address:

- Why the matter was considered to be one of most significance in the audit and therefore determined to be a key audit matter
- How the matter was addressed in the audit.

# Directors' declaration

## Source

- The directors declare that:
- s.295(4)(c) (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable
  - s.295(4)(ca) (b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards<sup>57</sup>, as stated in note 1 to the financial statements
  - s.295(4)(d) (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity,
  - s.295(4)(e) (d) the directors have been given the declarations required by s.295A of the *Corporation Act 2001*. [*listed companies, listed disclosing entities and listed registered schemes only*]; and
  - s.295(4)(da) (e) in the directors' opinion, the attached consolidated entity disclosure statement is true and correct<sup>58</sup>.

Where the entity and its closely-held subsidiaries have entered into a deed of cross guarantee pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*, the following statements must be included in order to be compliant with the conditions of the Instrument:

ASIC-CI 2016/785,  
s.6(w)

At the date of this declaration, the company is within the class of companies affected by *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the company and the companies to which *ASIC Corporations (Wholly owned Companies) Instrument 2016/785* applies, as detailed in note 20 to the financial statements will, as a group, be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

s.295(5) Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors

(Signature)  
C.J. Chambers  
Director

Sydney, 16 September 2024

<sup>57</sup> The IFRS Foundation now refers to International Financial Reporting Standards as comprising IFRS Accounting Standards (issued by the IASB) and IFRS Sustainability Disclosure Standards (issued by the ISSB). Section 295(4)(ca) of the *Corporations Act* requires "if the company, registered scheme or disclosing entity has included in the notes to the financial statements, in compliance with the accounting standards, an explicit and unreserved statement of compliance with international financial reporting standards—that this statement has been included in the notes to the financial statements". AASB 101 *Presentation of Financial Statements* requires that "[a]n entity whose financial statements comply with IFRSs shall make an explicit and unreserved statement of such compliance in the notes". Accordingly, the term "International Financial Reporting Standards" has been retained in the statement of compliance.

<sup>58</sup> For listed public companies, the chief executive officer and chief financial officer must include a statement in their declaration to the directors that the consolidated entity disclosure statement is true and correct.

# Consolidated statement of financial position

as at 30 June 2024

**Source**

AASB 101:10(a),(ea),(f)

51(b),(c), 113

AASB 101:51(d), (e)

AASB 101:10(f), 40A

	Notes	30/06/2024 \$'000	30/06/2023 \$'000 (restated)*	01/07/2022 \$'000 (restated)*
<b>Assets</b>				
<b>Current assets</b>				
AASB 101:60-61, 66-68				
AASB 101:54(i)				
AASB 101:54(h), AASB 15:116(a)				
AASB 15:105, 116(a)	31			
AASB 15:105	27			
AASB 15:105	28			
AASB 15:B21	26			
AASB 101:54(d), 55	29			
AASB 101:54(d), 55	24			
AASB 101:54(d), 55	34			
AASB 101:54(g)	25			
AASB 101:55(n)				
AASB 101:55				
AASB 101:54(j) AASB 5:38-39	13			
<b>Total current assets</b>				
<b>Non-current assets</b>				
AASB 101:60-61, 66-68				
AASB 15:105, 116(a)	27			
AASB 15:105	28			
AASB 101:54(d), 55	24			
AASB 101:54(d), 55	29			
AASB 101:54(d), 55	34			
AASB 101:54(a)	18			
AASB 16:47(a)	30			
AASB 101:54(b)	19			
AASB 101:54(e), 55	21			
AASB 101:54(e), 55	22			
AASB 101:55	16			
AASB 101:54(c)	17			
AASB 101:54(o), 56	35			
AASB 101:55				
<b>Total non-current assets</b>				
<b>Total assets</b>				



**Source**

AASB 101:10(a),(ea),(f)  
51(b),(c), 113  
AASB 101:51(d), (e)  
AASB 101:10(f), 40A

	Notes	30/06/2024 \$'000	30/06/2023 \$'000 (restated)*	01/07/2022 \$'000 (restated)*
<b>Liabilities</b>				
<b>Current liabilities</b>				
AASB 101:60-61				
AASB 101:54(k)	Trade and other payables	37		
AASB 15:105, 116(a)	Contract liabilities	60		
AASB 15:B21, 119(d)	Refund liability	61		
AASB 101:54(m), 55				
AASB 16:47(b)	Lease liabilities	36		
AASB 101:54(m), 55	Borrowings	32		
AASB 101:54(m), 55	Derivative financial instruments	34		
AASB 101:54(m), 55	Other financial liabilities	38		
AASB 101:54(n)	Current tax liabilities			
AASB 101:54(m), 55	Deferred income – government grant	59		
AASB 101:54(l)	Provisions	39		
AASB 101:55	Other <i>[describe]</i>			
<hr/>				
AASB 101:54(p)	Liabilities directly associated with assets			
AASB 5:38-39	classified as held for sale	13		
<hr/>				
<b>Total current liabilities</b>				
<hr/>				
<b>Non-current liabilities</b>				
AASB 101:60-61				
AASB 15:105, 116(a)	Contract liabilities	60		
AASB 16:47(b)	Lease liabilities	36		
AASB 101:54(m), 55	Borrowings	32		
AASB 101:54(m), 55	Convertible loan notes	33		
AASB 101:54(m)	Other financial liabilities	38		
AASB 101:54(m), 55	Liability for share-based payments	57		
AASB 101:55	Retirement benefit obligations	58		
AASB 101:55	Deferred income – government grant	59		
AASB 101:54(l)	Provisions	39		
AASB 101:54(o), 56	Deferred tax liabilities	35		
AASB 101:55	Other <i>[describe]</i>			
<hr/>				
<b>Total non-current liabilities</b>				
<hr/>				
<b>Total liabilities</b>				
<hr/>				
<b>Net assets</b>				
<hr/>				
<b>Equity</b>				
<b>Capital and reserves</b>				
AASB 101:55	Share capital	40		
AASB 101:55	Reserves	43 - 49		
AASB 101:55	Retained earnings	50		
<hr/>				
AASB 101:54(r)	<b>Equity attributable to owners of the parent</b>			
<hr/>				
AASB 101:54(q), 10:22	Non-controlling interests	51		
AASB 101:55-55A	<b>Total equity</b>			
<hr/>				

\*The comparative information has been restated as a result of *[describe]* as discussed in note 2

**Source**

AASB 101:40A

AASB 101:40C

AASB 101:40A requires an entity to present a statement of financial position as at the beginning of the preceding period (third statement of financial position) if:

- It applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements or reclassifies items in its financial statements; and
- The retrospective application, retrospective restatement or the reclassification has a material effect on the information in the third statement of financial position.

Other than disclosures of certain specified information as required by AASB 101:41-44 and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the related notes to the third statement of financial position are not required to be disclosed.

# Notes to the consolidated financial statements

## Source

### 1. General information

#### Statement of compliance

AASB 1054:7, 8, 9

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

AASB 1054:8(b)

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

AASB 101:16

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with International Financial Reporting Standards as issued by the IASB<sup>59</sup>.

#### Summary of requirements

AASB 1054:7

An entity whose financial statements comply with Australian Accounting Standards shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with Australian Accounting Standards unless they comply with all the requirements of Australian Accounting Standards.

AASB 1054:8

An entity shall disclose in the notes:

- The statutory basis or other reporting framework, if any, under which the financial statements are prepared
- Whether, for the purposes of preparing the financial statements, it is a for-profit or not-for-profit entity.

AASB 1054:9

An entity shall disclose in the notes whether the financial statements are general purpose financial statements or special purpose financial statements.

<sup>59</sup> The IFRS Foundation now refers to International Financial Reporting Standards as comprising IFRS Accounting Standards (issued by the IASB) and IFRS Sustainability Disclosure Standards (issued by the International Sustainability Standards Board). Section 295(4)(ca) of the Corporations Act requires “if the company, registered scheme or disclosing entity has included in the notes to the financial statements, in compliance with the accounting standards, an explicit and unreserved statement of compliance with international financial reporting standards—that this statement has been included in the notes to the financial statements”. AASB 101 *Presentation of Financial Statements* defines “International Financial Reporting Standards (IFRS)” as “Standards and Interpretations issued by the International Accounting Standards Board (IASB)” and requires that “[a]n entity whose financial statements comply with IFRSs shall make an explicit and unreserved statement of such compliance in the notes”. Accordingly, the term “International Financial Reporting Standards” has been retained in the statement of compliance.

## Source

### 1. General information (continued)

#### Presentation currency and rounding

AASB 101:51(d)

These financial statements are presented in Australian Dollars (\$). Foreign operations are included in accordance with the policies set out in note 3.

If the company is of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and consequently the amounts in the directors' report and the financial statements are rounded, that fact must be disclosed in the financial statements or the directors' report.

Where the conditions of the Corporations Instrument are met, entities may round to the nearest dollar, nearest thousand dollars, nearest hundred thousand dollars, or to the nearest million dollars, depending upon the total assets of the entity. The appropriate rounding should be included in the disclosure below:

ASIC-CI 2016/191  
AASB 101:51(e)

The company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Corporations Instrument amounts the financial report are rounded off to the nearest [*dollar, thousand dollars/ hundred thousand dollars/ million dollars*], unless otherwise indicated.

ASIC-CI 2016/191

Where the Corporations Instrument is applied, certain amounts in the financial statements are required to be rounded to differing levels of precision. It is important to ensure these amounts are shown using the correct level of precision and column headings and narrative information uses the correct level of rounding as required by the Corporations Instrument.

Not-for-profit entities and public sector entities should only refer to the ASIC Corporations Instrument when they are preparing financial statements in accordance with the Corporations Act.

## Source

### 2. Adoption of new and revised Australian Accounting Standards

#### How to use this section in conjunction with the core model financial statements

Note 2 of the *Core model financial statements* sets out new and amended IFRS Accounting Standards that are effective for the current year and new and revised IFRS Accounting Standards in issue but not yet effective.

This note should be replaced with the illustrative disclosures below which set out:

- Amendments to Australian Accounting Standards that are mandatorily effective for the current period, i.e. for the year ending 30 June 2024
- New and revised Australian Accounting Standards that are not mandatorily effective (but allow early application) for the year ending 30 June 2024
- IFRS Accounting Standards and IFRIC Interpretations for which equivalent Australian Accounting Standards and Interpretations have not yet been issued.

Entities are required to disclose in their financial statements the potential impact of new and revised Australian Accounting Standards that have been issued but are not yet effective. The disclosures reflect a cut-off date of 9 April 2024. The potential impact of any new or revised Standards and Interpretations issued by the AASB or IASB after this date, but before the issue of the financial statements, should also be considered and disclosed where material.

The impact of the application of the new and revised Australian Accounting Standards (see below) is for illustrative purposes only. Entities should analyse the impact based on their specific facts and circumstances.

The example wording in this section has been provided to assist with compliance of the requirements of AASB 108:28. The disclosures required by AASB 108:28 are only provided where the effect on the current period or any prior period is material.

In this section we have illustrated how this information may be given in a succinct format, in order to avoid unnecessary disclosures in financial statements. Where the first-time or future application of a pronouncement has, or is expected to have, a significant impact on the financial statements, additional disclosures should be considered.

AASB 108:28  
AASB 101:31

## Source

## 2. Adoption of new and revised Australian Accounting Standards (continued)

### 2.1 New and amended Australian Accounting Standards that are effective for the current year

AASB 101:31

There is no requirement to present a full listing of mandatorily effective standards. Disclosures should only include Australian Accounting Standards, amendments to Australian Accounting Standards and other pronouncements that:

- Are mandatorily effective for the current period
- Are applicable to the entity's circumstances
- Have a material impact on the entity, or where the information disclosed is material.

AASB 108:28(a), (b), (c), (d)

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023.

Set out below are the new and revised Standards and amendments thereof [*and Interpretations*] effective for the current year that are relevant to the Group:

Pronouncement	Impact
AASB 2021-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	<p>Requires the disclosure of material accounting policy information and clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates.</p> <p>The application of the amendments did not have a material impact on the Group's consolidated financial statements but has changed the disclosure of accounting policy information in the financial statements.</p>
AASB 112:98J-98L AASB 2021-5 <i>Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> <sup>60</sup>	<p>Clarifies that deferred taxes must be recognised where, on initial recognition of an asset or liability, the transaction gives rise to equal taxable and deductible temporary differences.</p> <p>The Group has recognised an increase of \$__ million in deferred tax liabilities for right-of-use assets and an increase of \$__ million in deferred tax assets for lease liabilities as at 30 June 2023. The previously recognised net deferred tax [<i>liability/asset</i>] of \$__ million was derecognised. In accordance with the transition provisions, similar adjustments were made at 1 July 2022 in respect of right-of-use assets and lease liabilities. There was no impact on the statement of financial position, statement of cash flows or profit or loss in the current or preceding period.</p>

<sup>60</sup> This example disclosure assumes that the entity currently recognises deferred taxes arising from leases, decommissioning obligations and similar items on the basis of the transaction as a whole. Where the entity currently adopts different accounting treatment for these items, the wording should be amended and tailored as necessary. This example also illustrates the disclosures about the adjustments made in respect of right-of-use assets and lease liabilities. Similar disclosure should also be included where the entity has decommissioning, restoration and similar liabilities with a corresponding amount recognised as part of the cost of the asset.

## Source

## 2. Adoption of new and revised Australian Accounting Standards (continued)

### 2.1 New and amended Australian Accounting Standards that are effective for the current year (continued)

AASB 112:88A

Pronouncement	Impact
AASB 2023-2 <i>Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules</i>	<p>Prohibits the recognition and disclosure of deferred taxes arising from OECD Pillar Two income taxes and requires certain disclosures related to those taxes.</p> <p>The Group applied the mandatory exception to the recognition and disclosure of deferred taxes arising from OECD Pillar Two income taxes for the first time for the annual reporting period ending 30 June 2023. The Group will disclose any known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Pillar Two income taxes arising from Pillar Two legislation that is substantively enacted in any jurisdiction in which the entity operates. As at 30 June 2024, substantive enactment has not occurred in any of those jurisdictions.</p> <p>Furthermore, the entity will separately disclose the amount of current tax arising from Pillar Two taxes in periods where the Pillar Two legislation is operative.</p>

### New and amended Australian Accounting Standards that are effective for the current year for not-for-profit and public sector entities

Pronouncement	Impact
AASB 2022-8 <i>Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments</i>	Amends a number of Standards to permit public sector entities to continue applying AASB 4 <i>Insurance Contracts</i> and AASB 1023 <i>General Insurance Contracts</i> for annual periods beginning on or after 1 January 2023 but before 1 July 2026. It also repeals AASB 1038 <i>Life Insurance Contracts</i> and supersedes Interpretation 1047 <i>Professional Indemnity Claims Liabilities in Medical Defence Organisations</i> for annual periods beginning on or after 1 January 2023, on the basis that AASB 17 applies to those periods in respect of private sector entities and the pronouncements are not relevant to public sector entities. The application of the amendments did not have a material impact on the Group's consolidated financial statements.

## Source

## 2. Adoption of new and revised Australian Accounting Standards (continued)

### 2.1 New and amended Australian Accounting Standards that are effective for the current year (continued)

#### Other pronouncements

The below mandatorily effective standards for the current year have not been included in the illustrative disclosures above as they are not relevant, or are not material, to the Group:

- AASB 17 *Insurance Contracts* (as amended)<sup>61</sup> (see discussion on page 259)
- AASB 1056 *Superannuation Entities*
- AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*
- AASB 2022-7 *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- AASB 2023-4 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules: Tier 2 Disclosures*.

#### Initial adoption of AASB 17 *Insurance Contracts (and related amending standards)*

AASB 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts*.

AASB 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

AASB 17 is a complex accounting standard that captures contracts issued that transfer significant insurance risk. Such contracts can be issued by any entity including non-insurers who have not applied insurance accounting prior to AASB 17. Accordingly, entities may need support from professionals such as actuaries and accountants to assist in the application of this new Standard.

Illustrative disclosures for entities applying IFRS 17 are available in [Deloitte's publication](#) *Illustrative disclosures for insurers applying IFRS 17*.

<sup>61</sup> Relevant amendments include AASB 2020-5 *Amendments to Australian Accounting Standards – Insurance Contracts*, AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (insofar as the Standard relates to editorial corrections that are effective for the current year), AASB 2022-1 *Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information* and AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*. The editorial corrections in AASB 2021-7 that apply to annual reporting periods beginning on or after 1 January 2023 relate to AASB 17 *Insurance Contracts*. Therefore, this Standard should only be included where AASB 17 is applicable to the entity.



Source

## 2. Adoption of new and revised Australian Accounting Standards (continued)

### 2.1 New and amended Australian Accounting Standards that are effective for the current year (continued)

#### **International Tax Reform – Pillar Two Model Rules**

AASB 2023-2 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules* amends the scope of AASB 112 *Income Taxes* to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in AASB 112, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, an entity is required to disclose that it has applied the exception and disclose separately its current tax expense (income) related to Pillar Two income taxes. Further, in periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect (in any jurisdiction in which an entity operates), an entity is required to disclose known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Pillar Two income taxes arising from that legislation. (See note 12. *Income tax*).

Entities may choose to provide any known or reasonably estimable information about the entity's exposure to Pillar Two taxes if it is available even if legislation has not yet been enacted or substantively enacted but not yet in effect.

Source

## 2. Application of new and revised Australian Accounting Standards (continued)

AASB 108:30 - 31

### 2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

Entities are required to disclose in their financial statements the potential impact of new and revised Australian Accounting Standards that have been issued but are not yet effective. The disclosures below reflect a cut-off date of 9 April 2024. The potential impact of the application of any new and revised Australian Accounting Standards issued by the AASB or IASB after 9 April 2024 but before the financial statements are issued should also be considered and disclosed.

Having completed assessment of the impact of the various pronouncements in issue but not yet effective, the example disclosures that follow should be tailored as appropriate for the entity. In some cases, an entity may not yet have determined the impact and therefore may state *“The potential effect of the revised Standards/Interpretations on the Group’s financial statements has not yet been determined.”*

However, entities should consider the expectations of regulators (e.g. ASIC) when assessing the impact of pronouncements in issue but not yet effective and how detailed the disclosures need to be.

The impact of the application of the new and revised Australian Accounting Standards (see below) is for illustrative purposes only. Entities should analyse the impact based on their specific facts and circumstances.

AASB 108:30

When an entity has not applied a new Accounting Standard that has been issued but is not yet effective, the entity shall disclose:

- This fact
- Known or reasonably estimable information relevant to assessing the possible impact that application of the new Accounting Standard will have on the entity’s financial report in the period of initial application.

AASB 108:31

In complying with the requirements above, an entity considers disclosing:

- The title of the new Accounting Standard
- The nature of the impending change or changes in accounting policy
- The date by which application of the Accounting Standard is required
- The date as at which it plans to apply the Accounting Standard initially
- Either:
  - A discussion of the impact that initial application of the Accounting Standard is expected to have on the entity’s financial report, or
  - If that impact is not known or reasonably estimable, a statement to that effect.

## Source

## 2. Application of new and revised Australian Accounting Standards (continued)

### 2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective (continued)

AASB 108:30, 31

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

AASB 108:31(a), (c), (d)

<b>Standard/amendment</b>	<b>Effective for annual reporting periods beginning on or after</b>	<b>Nature of the change and expected impact</b>
AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> (as amended) <sup>62</sup>	1 January 2025	Limits the recognition of gain or loss arising from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or joint venture to the extent of the unrelated investors' interest in that associate or joint venture. Similar limitations apply to remeasurements of retained interests in former subsidiaries.  These amendments may impact the Group's consolidated financial statements in future periods should such transactions arise.
AASB 2022-6 <i>Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i> <sup>63</sup>	1 January 2024 <sup>64</sup>	Clarifies when liabilities should be presented as current or non-current in the statement of financial position, including the impact of covenants on that classification.  The amendments may impact the classification of the Group's financial liabilities in future periods as certain of those liabilities are subject to covenants (see Note 32).

<sup>62</sup> AASB 2014-10 has been amended by AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*, AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* and AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*.

<sup>63</sup> AASB 2022-6 is applied in conjunction with AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*, the effective date of which was amended by AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*.

<sup>64</sup> AASB 2020-6, although itself is effective for annual reporting periods beginning on or after 1 January 2022 (the original effective date of AASB 2020-1), has the effect of deferring the amendments made by AASB 2020-1. The deferral was initially to annual reporting periods beginning on or after 1 January 2023, but this date was amended by AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants* so the mandatory application of all amendments is now for annual reporting periods beginning on or after 1 January 2024.

## Source

## 2. Application of new and revised Australian Accounting Standards (continued)

### 2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective (continued)

AASB 108:31(a), (c), (d)

Standard/amendment	Effective for annual reporting periods beginning on or after	Nature of the change and expected impact
AASB 2022-5 <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	1 January 2024	<p>Requires a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains.</p> <p>The Group does not currently have sale and leaseback arrangements. The Group will apply the amendments if sale and leaseback arrangements are entered into in the future.</p>
AASB 2023-1 <i>Amendments to Australian Accounting Standards – Supplier Finance Arrangements</i> <sup>65</sup>	1 January 2024	<p>Requires the disclosure of information about an entity's supplier finance arrangements.</p> <p>The Group currently has supplier finance arrangements (see note 37) and additional narrative disclosure will be included in the financial statements when the amendments become effective.</p>
AASB 2023-5 <i>Amendments to Australian Accounting Standards – Lack of Exchangeability</i>	1 January 2025	<p>Specifies how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.</p> <p>The Group has operations in [A Land] where the [X currency] is not exchangeable at the measurement date. The Group currently uses [describe e.g. the first subsequent rate at which exchanges could be made] but will be required to change the determination of the rate going forward, which will impact the consolidated financial statements of the Group.</p>

<sup>65</sup> Entities with material supplier finance arrangements may wish to apply these amendments before the mandatory application date. Where the amendments are not applied, entities should provide clear disclosure of the approach to the presentation of significant supplier financing arrangements, how supplier financing transactions have been reflected in the statement of cash flows, the carrying amount of liabilities in question and the line item(s) in which they are presented, and, where supplier finance arrangements have been used as a tool to manage liquidity risk, the disclosures required by AASB 7:39(c).

## Source

## 2. Application of new and revised Australian Accounting Standards (continued)

### 2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective (continued)

#### New and revised Australian Accounting Standards and Interpretations on issue but not yet effective for not-for-profit and public sector entities

AASB 108:31(a), (c), (d)

Standard/amendment	Effective for annual reporting periods beginning on or after	Nature of the change and expected impact
AASB 17 <i>Insurance Contracts</i> (and related amending Standards), AASB 2022-8 <i>Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments</i> and AASB 2022 9 <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i>	1 January 2023 (AASB 2022-8)	AASB 2022-8 applies to annual periods beginning on or after 1 January 2023, in order to defer the application of AASB 17 to public sector entities from that date until periods beginning on or after 1 July 2026.  This Standard also makes amendments to all Australian Accounting Standards that refer to AASB 17 to permit public sector entities (both for-profit and not-for-profit entities) to continue to apply AASB 4 <i>Insurance Contracts</i> and AASB 1023 <i>General Insurance Contracts</i> until annual periods beginning on or after 1 July 2026.
	1 January 2026 (AASB 2022-9)	AASB 2022-9 amends AASB 17 to include modifications that apply to public sector entities.  This Standard also amends AASB 1050 <i>Administered Items</i> to provide an accounting policy choice for government departments to apply either AASB 17 or AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> in determining the information to be disclosed about administered captive insurer activities.  The Group is not a public sector entity and does not issue insurance contracts. Therefore AASB 17 (and the related amending Standards) and AASB 2022-8 are not applicable to the Group and therefore not expected to impact the Group's consolidated financial statements.
AASB 2022-10 <i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i>	1 January 2024	Amends AASB 13 <i>Fair Value Measurement</i> to add authoritative implementation guidance and related illustrative examples, for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.  As the Group is not a public sector entity, the Standard is not applicable to the Group and therefore not expected to impact the Group's consolidated financial statements.

## Source

## 2. Application of new and revised Australian Accounting Standards (continued)

### 2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective (continued)

AASB 1054:17

In addition, at the date of authorisation of the financial statements the following IFRS Accounting Standards were on issue for which equivalent Australian Accounting Standards has not been issued:

Standard/amendment	Effective for annual reporting periods beginning on or after	Impact
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> <sup>66</sup>	1 January 2027	This Standard will not change the recognition and measurement of items in the financial statements, but will affect presentation and disclosure in the financial statements, including introducing new categories and subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements.

#### Other pronouncements

The pronouncements below are not effective for the current year have not been included in the illustrative disclosures above as they are not relevant to the Group:

- AASB 2023-3 *Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2*
- AASB 2024-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements: Tier 2 Disclosures*.

<sup>66</sup> At the date of finalisation of this publication (9 April 2024), the AASB has not made an equivalent standard, but is expected to do so in due course. If the AASB makes an equivalent standard prior to finalisation of an entity's financial report, disclosures in the financial report should reference the Australian equivalent standard.

## Source

## 2. Application of new and revised Australian Accounting Standards (continued)

### 2.3 Other changes in accounting policies

Illustrative disclosures provided below for IFRIC agenda decision *Definition of a Lease—Substitution Rights (IFRS 16 Leases)* can be used as a guide in developing disclosures reflecting the circumstances of the entity for this and other IFRIC agenda decisions which impact the entity for the first time.

#### Change in accounting policy – *Definition of a lease*

AASB 108:29

The IFRS Interpretations Committee (IFRIC) has issued an agenda decision related to the *Definition of a Lease—Substitution Rights (IFRS 16 Leases)*. The agenda decision considers the definition of a lease with specific reference to substitution rights and considers the criteria which are required to be met for a substitution right to be substantive.

The Group's contracts have been reassessed in light of the guidance in the agenda decision (and AASB 16 *Leases*) and certain contracts which were previously considered to have substitution rights (and so were accounted for as service contracts) have been reassessed as containing a lease.

Historical financial information has been restated to account for the impact of the change in accounting policy, as below. The impact of the change in accounting policy on both basic and diluted earnings per share is presented in note 15.

Financial statement item <sup>67</sup>	30 June 2023 Dr/(Cr)	1 July 2022 Dr/(Cr)
<b>Consolidated statement of financial position</b>		
Right-of-use assets		
Deferred tax assets		
<b>Total assets</b>		
Lease liabilities		
Deferred tax liabilities		
<b>Total liabilities</b>		
<b>Total net assets</b>		
Retained earnings		
<b>Total equity</b>		

<sup>67</sup> The impact on the current period (as required by AASB 108:28(f)) is not considered material for the purposes of this illustrative disclosure but may need to be considered.

## Source

## 2. Application of new and revised Australian Accounting Standards (continued)

### 2.3 Other changes in accounting policies (continued)

#### Change in accounting policy – *Definition of a lease* (continued)

	<b>30 June 2023</b>
	<b>Dr/(Cr)</b>
<b>Consolidated statement of comprehensive income</b>	
Other expenses	
Finance costs	
<b>Profit before tax</b>	
Income tax	
<b>Profit for the year</b>	
	<b>30 June 2023</b>
	<b>Dr/(Cr)</b>
<b>Consolidated statement of cash flows</b>	
<b>Cash from operating activities</b>	
Payments to suppliers and employees	
<b>Cash generated from operations</b>	
<b>Net cash from operating activities</b>	
<b>Financing activities</b>	
Interest paid	
Repayment of lease liabilities	
<b>Net cash (used in)/from financing activities</b>	

Historical financial information in the relevant notes to the financial statements must also be restated to account for the impact of the change in accounting policy. This includes the following notes:

- 7. Profit for the year (depreciation of right-of-use assets)
- 11. Finance costs (interest on lease liabilities)
- 12. Income tax
- 30. Leases (Group as a lessee)
- 35. Deferred tax
- 36. Lease liabilities
- 62. Financial Instruments (with reference to lease liabilities)



## Source

**3. Accounting policies****Example material accounting policy information for mining entities**

The following example material accounting policy information may be relevant for entities operating in the resources industry. Entities will need to edit and adapt the illustrative examples below to reflect their entity's policies and circumstances. The matters disclosed will be dictated by the circumstances of the individual entity, and by the significance of judgements and estimates made to the performance and financial position of the entity.

An entity may choose to include such disclosures in the relevant asset and liability notes, or as part of the relevant material accounting policy information disclosures.

**Provision for restoration and rehabilitation<sup>68</sup>**

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of *[exploration, development, production, transportation or storage]* activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of *[removing infrastructure, abandoning sites/wells and restoring the affected areas]*.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, *[based on current legal and other requirements and technology]*. Future restoration costs are reviewed annually and any changes in the estimates are reflected in the present value of the restoration provision at each reporting date. Changes in the estimates include:

- Updated cost estimates
- Changes to technology
- Changes in regulations and revised impact of climate change
- Revised discount rates
- Revised estimated operating lives
- Revised timing of activities relating to closure.

The initial estimate of the restoration and rehabilitation provision relating to *[exploration, development and milling/production facilities]* is capitalised into the cost of the related asset and *[depreciated/amortised]* on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

Costs related to sites which are closed and *[describe]* expenses are recognised as an expense in *[describe the line item]* in profit or loss.

AASB 6:11

<sup>68</sup> As part of its surveillance activities, ASIC has raised a number of matters on the need for, and adequacy of, provisions (see section B1.4.2). Entities should consider ASIC's observations as a result of this surveillance. In addition, where restoration and rehabilitation provisions are material, consideration should be given to ensuring adequate disclosure of the judgements made that have the most significant effects on the amounts recognised. Disclosure of information about assumptions made about the future and the major sources of estimation uncertainty should also be considered, which may include sensitivity analyses where appropriate.

## Source

**3. Accounting policies (continued)****Example material accounting policy information for mining entities (continued)****Exploration and evaluation**

The following illustrative accounting policy information disclosure assumes that an entity has adopted an 'area of interest' approach towards the capitalisation of exploration and evaluation, as permitted by paragraph Aus7.2 of AASB 6 *Exploration for and Evaluation of Mineral Resources*<sup>69</sup>. Where other approaches are adopted, the following wording will need to be edited as appropriate:

## AASB 6: Aus7.2

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- The rights to tenure of the area of interest are current
- At least one of the following conditions is also met:
  - The exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale, or
  - Exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

## AASB 6:8-9

Exploration and evaluation assets are initially measured at cost which includes the following expenditures: *[acquisition of rights to explore, topographical, geological, geochemical and geophysical studies; exploratory drilling, trenching and sampling and associated activities]* and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation assets where they are related directly to operational activities in a particular area of interest.

## AASB 6:18

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to *[development]*.

<sup>69</sup> AASB 6 *Exploration for and Evaluation of Mineral Resources* contains Australian-specific requirements that requires expenditures incurred in the exploration for and evaluation of mineral resources to either be (1) expensed as incurred; or (2) partially or fully capitalised and recognised as an exploration and evaluation asset (where additional conditions are met). This decision is required to be made on an 'area of interest' basis and the unit of account for exploration and evaluation expenditures is an area of interest. IFRS 6 *Exploration for and Evaluation of Mineral Resources* does not contain equivalent requirements in relation to identifying the unit of account (but the Australian-specific requirements are consistent with IFRS 6). Accordingly, entities may wish to provide additional detail as outlined in this illustrative disclosure to contribute toward the entity's compliance with IFRS Accounting Standards (as such information may be considered material accounting policy information under those standards). Judgement will be required on the extent and scope of any material accounting policy information disclosed.

Source

### 3. Accounting policies (continued)

#### Example material accounting policy information for mining entities (continued)

##### Development

Development expenditure is recognised at cost less accumulated *[amortisation/depletion]* and any impairment losses. Where commercial production in an area of interest has commenced, the associated costs *[together with any forecast future capital expenditure necessary to develop proved and probable reserves]* are amortised over the estimated economic life of the *[mine/field]* on a units-of-production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations are dealt with on a prospective basis.

#### Example material accounting policy information for not-for-profit and public sector entities

##### Revenue recognition (not-for-profit and public sector)

The Group recognises income from its main revenue/income streams, as listed below:

- Government grants
- Donations and bequests
- Capital grants.

##### Capital grants – Buildings

For capital grants received under an enforceable agreement where it includes a transfer to enable the Group to acquire or construct a recognisable non-financial asset to identified specifications which will be controlled by the Group when completed, the Group recognises a liability for the excess of the fair value of the transfer over any related amounts recognised and recognises income as it satisfies its obligations under the transfer.

As the capital grants received by the Group are primarily for the construction of buildings, the Group recognises income as the buildings are constructed (when it satisfies its obligations).

##### Unrecognised revenue

##### Volunteer services (not-for-profit private sector entities only)

The Group regularly receives volunteer services as part of its operations. Under AASB 1058, private sector not-for-profit entities have a policy option to account for donated services at fair value if the fair value can be reliably measured.

While the Group has assessed that the fair value of its volunteer services can be reliably measured, it has decided to adopt the policy option not to recognise volunteer services. Accordingly, no amounts are recognised in the financial statements for volunteer services.

##### Donated inventories

As part of its operations, the Group receives donations of goods which may then be used in its activities. AASB 102 *Inventories* requires the donated inventories to be measured at current replacement cost and any related amounts to be accounted for under AASB 1058.

The Group has decided to make use of the practical expedient under AASB 102 *Inventories* and apply the materiality assessment at the individual item level (instead of the portfolio level) when recognising donated inventories. Based on an assessment, the Group has noted that it only receives individually immaterial donations of inventory and accordingly will not be required to recognise such donated inventories. Accordingly, no amounts are recognised in the financial statements for donated inventories.

AASB 108:28

AASB 108:31

AASB 1058:19

AASB 102:Aus10.1-  
Aus10.2

Source

### 3. Accounting policies (continued)

#### Example material accounting policy information for not-for-profit and public sector entities (continued)

##### Leases at significantly below-market terms and conditions (concessionary leases) (not-for-profit entities and public sector entities)

For the concessionary leases, the Group has decided to make use of the option in AASB 16 to measure the right-of-use assets at cost on initial recognition. The Group has also made the necessary disclosures in note 31 for each material concessionary lease as required by AASB 16:Aus59.1-2.

The Group has also decided to apply AASB 16 to treat right-of-use assets arising under concessionary leases as a separate class of right-of-use assets to right-of-use assets arising under other leases for the purposes of AASB 16.

### 4. Critical accounting judgements and key sources of estimation uncertainty

#### Revenue recognition (not-for-profit entities and public sector)

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the Group has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing whether the performance obligations are 'sufficiently specific', the Group has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g. activity work plans) and holding discussions with relevant parties.

Income recognition from grants received by the Group has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

*[Expand as necessary to highlight any specific areas that were assessed, and the judgements made]*

Source

## 14. Dividends

This note illustrates the AASB 1054 disclosures to be provided in addition to those provided in note 14 of the core model financial statements:

AASB 101:137

On 22 August 2024, the directors declared a fully franked final dividend of \_\_\_ cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2024 to be paid to shareholders on 11 October 2024. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these consolidated financial statements. If approved, the dividend will be paid to all shareholders on the Register of Members on 20 September 2024. The total estimated dividend to be paid is \$\_\_\_.

### Imputation credits (franking credits)

AASB 1054:14

The information below is considered best practice for the disclosure of imputation credits (franking credits). AASB 1054 only specifically requires the disclosure of the amount of imputation credits available for use in subsequent reporting periods (i.e. the 'adjusted franking account balance' in the information below). The disclosures below reconcile from the actual franking account balance at the reporting date to the adjusted franking account balance using the guidance in AASB 1054:14, and also discloses the impact of franking debits arising from declared dividends which have not been recognised as a liability in the financial statements.

		<b>Company</b>	
		<b>30/06/2024</b>	<b>30/06/2023</b>
		<b>\$'000</b>	<b>\$'000</b>
	<b>Franking account balance at 30 Jun</b>		
AASB 1054:14(a)	Imputation credits that will arise from the payment of the current tax liability		
AASB 1054:14(b)	Imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date		
AASB 1054:14(c)	Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date		
	Imputation debits that will arise from the receipt of tax loss carry backs		
AASB 1054:13	<b>Adjusted franking account balance</b>		
AASB 112:81(i)	Imputation debits that will arise from the payments of dividends declared by not recognised in the financial statements		
	<b>Adjusted franking account balance after payment of unrecognised dividend amounts</b>		

AASB 1054:12

The term 'imputation credits' in AASB 1054:13-15 is used to also mean 'franking credits'. The disclosures required by AASB 1054 are made separately in respect of any New Zealand imputation credits and any Australian imputation credits.

AASB 1054:15

Where there are different classes of investors with different entitlements to imputation credits, disclosures are made about the nature of those entitlements for each class where this is relevant to an understanding of them.

Source

## 14. Dividends (continued)

### Imputation credits (franking credits) (continued)

#### *Deferred franking debits*

The receipt of refundable R&D tax offsets gives rise to deferred franking debits which will reduce future franking credits. This is because a franking credit will not arise as a result of income tax payments until the deferred franking debits are recovered. The impacts of accrued refundable R&D tax offset amounts should be considered when disclosing the amount of franking credits available. This may require additional narrative or other disclosure so that users understand the future impacts of the deferred franking debits.

The following illustrative example can be adapted to develop relevant disclosures where an entity has deferred franking debits:

"As disclosed in Note [x], under the R&D Tax Incentive available under Australian tax law, the Group is eligible to receive a refundable R&D tax offset in respect of its eligible research and development expenditure. The receipt of such amounts results in deferred franking debits in the entity's franking account. The Group will not generate franking credits on the payment of corporate income tax amounts in future periods until the deferred franking debits are recovered.

The aggregate deferred franking debits at reporting date is \$ \_\_\_\_ (2023: \$ \_\_\_\_). The entity will be required to make future income tax payments of this amount before further income tax payments will give rise to franking credits. In addition, the entity has recognised a receivable in respect of the current period R&D tax offset of \$ \_\_\_\_ which will give rise to additional deferred franking debits when received."

For more information, see our [Clarity publication](#) *Accounting for the R&D tax offset*.

#### *Exempting accounts*

Exempting accounts are held by companies wholly-owned by non-residents or tax exempt institutions and are similar to franking accounts. AASB 1054 *Australian Additional Disclosures* does not specifically require the disclosure of exempting account balances, however, where considered necessary (i.e. to satisfy the information needs of the likely users of the financial report), directors may consider disclosing the exempting account balance.

## Source

**20. Subsidiaries**

The disclosures below illustrate the requirements of *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* in respect of the consolidated financial statements. See note 20 in the core model financial statements for the remainder of the illustrative disclosures for subsidiaries.

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

AASB 124:13

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			30/06/2024	30/06/2023
Subzero Limited	Manufacture of toys	Australia	Nil	100%
Subone Limited	Manufacture of electronic equipment	Australia	90%	100%
Subtwo Limited	Manufacture of leisure goods	Australia	85%	85%
Subthree Limited (ii), (iii)	Construction of residential properties	Australia	100%	100%
Subfour Limited	Manufacture of leisure goods	B Land	70%	70%
Subfive Limited	Manufacture of electronic equipment and bicycles	C Land	100%	100%
Subsix Limited	Manufacture of leisure goods	Australia	80%	Nil
Subseven Limited (ii), (iii)	Manufacture of leisure goods	Australia	100%	Nil
C Plus Limited	Manufacture of electronic equipment	Australia	90%	90%
Subsidiary A Limited	Construction of commercial properties	Australia	45%	45%
Subsidiary B Limited	Manufacture of outdoor furniture	B Land	45%	45%
Partnership A	Manufacture of electronic equipment	C Land	75%	75%
AGAAP Trust	Service entity	Australia	100%	100%
B JV Limited	Manufacture of electronic equipment	Australia	95%	95%

Int. 1052:16(a)

(i) International GAAP Holdings Limited is the head entity within the tax-consolidated group.

(ii) These companies are members of the tax-consolidated group.

ASIC-CI 2016/785 s.6(v)(ii),(iii)

(iii) These wholly-owned subsidiaries have entered into a deed of cross guarantee with International GAAP Holdings Limited pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* and are relieved from the requirement to prepare and lodge an audited financial report. Subseven Limited became a party to the deed of cross guarantee on 5 June 2024.

ASIC-CI 2016/785

**Details required**

*ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* requires the following information in respect of parties to the deed of cross guarantee at the end of the financial year:

- Details (including dates) of parties to the deed of cross guarantee which, during or since the financial year have been added by an assumption deed, removed by a revocation deed or which are the subject of a notice of disposal (as required under the instrument)
- Details (including dates and reasons) of any entities which obtained relief under the instrument or ASIC Class Order 98/1418 at the end of the immediately preceding financial year but which were ineligible for relief in respect of the relevant financial year.

Source

**20. Subsidiaries (continued)**

**Financial support**

AASB 12:14-17

When the Group gives financial support to a consolidated structured entity, the nature and risks (including the type and amount of support provided) should be disclosed in the financial statements. Refer AASB 12.14-17 for details.

**Consolidated income statement, consolidated statement of financial position and movements in consolidated retained earnings of entities party to the deed of cross guarantee**

ASIC-CI 2016/785  
s.6(v)

The consolidated income statement and consolidated statement of financial position of the entities which are parties to the deed of cross guarantee:

**Statement of comprehensive income**

	Year ended	
	30/06/2024	30/06/2023
	\$'000	\$'000
Revenue		
Finance income – interest income		
Finance income - other		
Changes in inventories of finished goods and work in progress		
Raw materials and consumables used		
Employee benefits expense		
Depreciation and amortisation expense		
Finance costs		
Transport costs		
Advertising costs		
Impairment of property, plant and equipment		
Impairment of goodwill		
Other expenses		
Restructuring costs		
Share of results of associates		
Share of results of joint ventures		
Gains and losses arising from the derecognition of financial assets measured at amortised costs		
Gains and losses on reclassification of financial assets from amortised cost to fair FVTPL		
Impairment losses (including reversals) on financial assets and contract assets		
Gains and losses on reclassification of financial assets from FVTOCI to FVTPL		
Other gains and losses		
<b>Profit before tax</b>		
Income tax expense		
<b>Profit for the year from continuing operations</b>		
Loss for the year from discontinued operations		
<b>Profit for the year</b>		



## Source

**20. Subsidiaries (continued)****Consolidated income statement, consolidated statement of financial position and movements in consolidated retained earnings of entities party to the deed of cross guarantee (continued)****Statement of comprehensive income (continued)**

	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other comprehensive Income</b>		
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Gains/(losses) on property revaluation		
Remeasurement of net defined benefit liability		
Fair value gain/(loss) on investments in equity instruments designated as FVTOCI		
Fair value gain/(loss) on financial liabilities designated as FVTPL attributable to changes in credit risk		
Share of other comprehensive income of associates		
Share of other comprehensive income of joint ventures		
Income tax relating to items that will not be reclassified subsequently to profit or loss		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Debt instruments measured at FVTOCI		
- Fair value gain/(loss) on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal		
- Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal		
- Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon reclassification from FVTOCI to FVTPL		
Cash flow hedges:		
- Fair value gain/(loss) arising on hedging instruments during the period		
- Less: Cumulative (gain)/loss arising on hedging instruments reclassified to profit or loss		
Foreign currency translation, net of investment hedges of a foreign operation:		
- Foreign exchange differences on translation of foreign operations		
- Less: (Gain)/loss reclassified to profit or loss on disposal of foreign operation		
- Gain(loss) arising on hedging instruments designated in hedges of the net assets in foreign operation		
- Less: (Gain)/loss on hedging instruments reclassified to profit or loss on disposal of foreign operation		

## Source

**20. Subsidiaries (continued)****Consolidated income statement, consolidated statement of financial position and movements in consolidated retained earnings of entities party to the deed of cross guarantee (continued)****Statement of comprehensive income (continued)**

	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cost of hedging:		
- Changes in the fair value during the period in relation to transaction-related hedged items		
- Changes in the fair value during the period in relation to time-period related hedged items		
- Less: Cumulative (gain)/loss arising on changes in the fair value in relation to transaction-related hedged items reclassified to profit or loss		
- Less: Amortisation to profit or loss of cumulative (gain)/loss arising on changes in the fair value in relation to time-period related hedged item		
Share of other comprehensive income of associates		
Share of other comprehensive income of joint ventures		
Income tax relating to items that may be reclassified subsequently to profit or loss		
<b>Other comprehensive income for the year, net of income tax</b>		
<b>Total comprehensive income for the year</b>		

## Source

**20. Subsidiaries (continued)**

**Consolidated income statement, consolidated statement of financial position and movements in consolidated retained earnings of entities party to the deed of cross guarantee (continued)**

**Statement of financial position**

	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>		
Cash and bank balances		
Inventories		
Investments		
Rights to returned goods asset		
Contract assets		
Contract costs		
Financial lease receivables		
Trade and other receivables		
Derivative financial instruments		
Assets classified as held for sale		
<b>Total current assets</b>		
<b>Non-current assets</b>		
Goodwill		
Other intangible assets		
Property, plant and equipment		
Right-of-use assets		
Investment property		
Investments in associates		
Investments in joint ventures		
Investments in financial assets		
Finance lease receivables		
Deferred tax asset		
Derivative financial assets		
Contract assets		
Contract costs		
<b>Total non-current assets</b>		
<b>Total assets</b>		

## Source

**20. Subsidiaries (continued)****Consolidated income statement, consolidated statement of financial position and movements in consolidated retained earnings of entities party to the deed of cross guarantee (continued)****Statement of financial position (continued)**

	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><i>Current liabilities</i></b>		
Trade and other payables		
Current tax liabilities		
Lease liabilities		
Borrowings		
Derivative financial liabilities		
Other financial liabilities		
Provisions		
Deferred income – government grant		
Contract liabilities		
Refund liability		
Liabilities directly associated with non-current assets classified as held for sale		
<b><i>Total current liabilities</i></b>		
<b><i>Non-current liabilities</i></b>		
Borrowings		
Convertible loan notes		
Retirement benefit obligations		
Deferred tax liabilities		
Provisions		
Deferred income – government grant		
Contract liabilities		
Lease liabilities		
Liability for share-based payments		
<b><i>Total non-current liabilities</i></b>		
<b><i>Total liabilities</i></b>		
<b><i>Net assets</i></b>		
<b><i>Equity</i></b>		
Share capital		
Reserves		
Retained earnings		
<b><i>Total equity</i></b>		
<b>Movement in retained earnings</b>		
<b><i>Retained earnings as at beginning of the financial year</i></b>		
Net profit		
Dividends provided for or paid		
Share buy-back		
<b><i>Retained earnings as at end of the financial year</i></b>		

Source

## 20. Subsidiaries (continued)

### Requirements for additional consolidation information

ASIC-CI 2016/785  
s.6(v)

ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 requires the holding entity to include 'additional consolidation information' in each of the following circumstances:

- Where the consolidated financial statements cover entities which are not members of the 'closed group', additional consolidation information in respect of the 'closed group'
- Where the consolidated financial statements cover entities which are not parties to the deed of cross guarantee, additional consolidation information in respect of the consolidation of the holding entity and those entities which are parties to the deed of cross guarantee and controlled by the holding entity
- If there are parties to the deed of cross guarantee (other than a trustee or alternative trustee that is not a 'group entity' within the meaning of the deed) which are not controlled by the holding entity, additional consolidated information in respect of those parties (either individually or in aggregate).

ASIC-CI 2016/785  
s.4

The additional consolidation information presented to comply with the requirements of ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 includes:

- A statement of comprehensive income setting out the information specified by paragraphs 82 to 87 of AASB 101 *Presentation of Financial Statements*
- Opening and closing retained earnings, dividends provided for or paid and transfers to and from reserves
- A statement of financial position complying with paragraphs 54 to 60 of AASB 101.

In addition, elimination of all transactions between entities for which information is included in the additional consolidation information is required.

ASIC-CI 2016/785  
s.4(b)

Comparative information is required if the holding entity was a holding entity in the deed of cross guarantee in the prior financial year.

## 30. Leases (Group as a lessee) (not-for-profit and public sector)

AASB 16: Aus59.1-2

The Group leases a building from the [Name of State] State Government at significantly below-market terms and conditions, principally to enable it to further its objectives.

The Group is dependent on this lease to further its objectives as it utilises the building to run its operations to deliver its services. The Group is restricted on the use of the building as agreed with the [Name of State] State Government and may not utilise it for other purposes including sub-leasing to other entities. The lease term is for 10 years and the lease payments are \$\_\_\_ per annum, payable annually.

As outlined in the Group's accounting policy in note 3, the Group has elected to measure this right-of-use asset at cost.

Source

AASB 1054:16

## 54. Notes to the cash flow statement

### Reconciliation of profit for the year to net cash flows from operating activities

When an entity uses the direct method to present its statement of cash flows, the financial statements must provide a reconciliation of the net cash flow from operating activities to profit or loss. The below disclosure is an additional disclosure for note 54. Refer note 54 in the core model financial statements for the remainder of the disclosures for notes to the cash flow statements.

	Year ended 30/06/2024 \$'000	Year ended 30/06/2023 \$'000
<b>Profit for the year</b>		
<b>Adjustments for:</b>		
Share of profit of associates		
Share of profit of joint ventures		
Finance income		
Other gains and losses		
Finance costs		
Income tax expense		
Gain on disposal of discontinued operation		
Depreciation of property, plant and equipment		
Impairment loss on fixtures and equipment		
Impairment losses, net of reversals, on financial assets		
Amortisation of intangible assets		
Impairment of goodwill		
Share-based payment expenses		
Fair value gain/loss on investment property		
Gain on disposal of property, plant and equipment		
Increase/(decrease) in provisions		
Fair value gain/loss on derivatives and other financial assets held for trading		
Difference between pension funding contributions paid and the pension cost charge		
<b>Operating cash flows before movements in working capital</b>		
<b>Movements in working capital:</b>		
(Increase)/decrease in inventories		
(Increase)/decrease in trade and other receivables		
(Increase)/decrease in contract assets		
(Increase)/decrease in contract costs		
(Increase)/decrease in right to returned goods assets		
(Increase)/decrease in trade and other payables		
Increase/(decrease) in provisions		
Increase/(decrease) in contract liabilities		
(Increase)/decrease in refund liability		
(Increase)/decrease in deferred income		
<b>Cash generated from operations</b>		
Interest paid		
Income taxes paid		
<b>Net cash generated by operating activities</b>		

## Source

### 64. Related party transactions

The below disclosure is an additional disclosure for note 64. Refer note 64 in the core model financial statements for the remainder of the disclosures for related party transactions.

AASB 124:13,  
Aus 13.1(a),  
AASB 101:138(c)

The immediate parent and ultimate controlling party respectively of the Group are X Holdings Limited (incorporated in *[M Land]*) and Y Holdings Limited (incorporated in *[N Land]*) respectively.

AASB 124:13

An entity discloses the name of the parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces financial reports available for public use, the name of the next most senior parent that does so is also disclosed.

AASB 124:Aus13.1

When any of the parent entities and/or ultimate controlling parties named in accordance with paragraph 13 of AASB 124 *Related Party Disclosures* is incorporated or otherwise constituted outside Australia, an entity:

- Identifies which of those entities is incorporated overseas and where
- Discloses the name of the ultimate controlling entity incorporated within Australia.

#### Australian definitions

AASB 124:Aus9.1

When applying AASB 124, the term "director" means:

- a person who is a director under the Corporations Act
- in the case of entities governed by bodies not called a board of directors, a person who, regardless of the name that is given to the position, is appointed to the position of member of the governing body, council, commission or authority.

"Remuneration" is "compensation" as defined in AASB 124.

AASB 124:Aus9.1.1

Although the defined term 'compensation' is used in AASB 124 rather than the term 'remuneration', both words refer to the same concept and all references in the Corporations Act to the remuneration of directors and executives is taken as referring to compensation as defined and explained in AASB 124.

Source

## 66. Remuneration of auditors

ASIC-CI 2016/191

In making the following disclosure, entities must consider the extent to which *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* permits information about the remuneration of auditors to be rounded.

AASB 1054:BC8

Disclosures are made in the context of the scope of the entity reporting. Accordingly, in the case of a group, disclosures made in accordance with paragraph 10 would include fees paid by the parent and its subsidiaries for each of the parent and its subsidiaries.

		30/06/2024	30/06/2023
		\$	\$
AASB 1054:10, 11	<b>Deloitte and related network firms*</b>		
AASB 1054:10(a)	Audit or review of financial reports:		
	- Group		
	- Subsidiaries and joint operations		
	Statutory assurance services required by legislation to be provided by the auditor		
	Other assurance and agreed-upon procedures under other legislation or contractual arrangements		
AASB 1054:10(b)	Other services:		
s.300(11B)(a)	- Tax compliance services <sup>#</sup>		
s.300(11B)(a)	- Consulting services <sup>#</sup>		
s.300(11B)(a)	- Other <i>[describe]</i>		
AASB 1054:10, 11	<b>Other auditors and their related network firms</b>		
AASB 1054:10(a)	Audit or review of financial reports:		
	- Subsidiaries and joint operations		
	- Other <i>[describe]</i>		
	Statutory assurance services required by legislation to be provided by the auditor		
	Other assurance and agreed-upon procedures under other legislation or contractual arrangements		
AASB 1054:10(b)	Other services:		
s.300(11B)(a)	- Tax compliance services <sup>#</sup>		
s.300(11B)(a)	- Consulting services <sup>#</sup>		
s.300(11B)(a)	- Other <i>[describe]</i>		
s.300(11B)(a), (11C)(a)	*The auditor of International GAAP Holdings Limited is Deloitte Touche Tohmatsu		

<sup>#</sup> These line items are provided by way of example only. The disclosures should provide sufficient detail of the amounts paid or payable to the auditor for each non-audit service.



## Source

**66. Remuneration of auditors (continued)****Suggested changes to disclosures**

In November 2020, the Federal Parliamentary Joint Committee on Corporations and Financial Services released *Regulation of Auditing in Australia: Final Report* (available at [parlinfo.aph.gov.au](http://parlinfo.aph.gov.au)). Included in this final report is a recommendation to establish defined categories and associated fee disclosure requirements in relation to audit and non-audit services. This recommendation was directed primarily at the Financial Reporting Council (FRC) and the AASB has a project on audit fee disclosure in progress.

In the meantime, we encourage entities to provide transparent and expanded disclosures in their financial reports at 30 June 2024. Potential categories of disclosure may include:

- Fees to group auditor for auditing the statutory financial report of the parent covering the Group and auditing the statutory financial reports of any controlled entities (including joint operations)
- Fees for assurance services that are required by legislation to be provided by the auditor (e.g. for certain reporting to APRA, Queensland Building & Construction Commission reports, AFSL Form FS71)
- Fees for other assurance and agreed-upon procedures under other legislation or contractual arrangements (e.g. assurance on revenue information under a royalty agreement, comfort letters or agreed-upon procedures on other reports) when there is discretion as to whether the service is provided by the auditor or another firm
- Fees for other services (e.g. tax compliance).

**Additional guidance**

AASB 1054:11

The nature and amount of each category of other services provided by a network firm of the auditor of a parent entity shall be disclosed in the notes to the financial statements.

Remuneration of international associates of Deloitte Touche Tohmatsu Australia is disclosed under 'Fees to Deloitte and related network firms'.

'Network firm' is defined in APES 110 *Code of Ethics for Professional Accountants* as 'a Firm or entity that belongs to a Network'.

*Firm* is defined in APES 110 as:

- A sole practitioner, partnership, corporation or other entity of professional accountants
- An entity that controls such parties through ownership, management or other means
- An entity controlled by such parties through ownership, management or other means, or
- An Auditor-General's office or department.

'Network' is defined in APES 110 as:

'A larger structure:

- (a) That is aimed at co-operation, and
- (b) That is clearly aimed at profit or cost sharing or shares common ownership, control or management, common quality control policies and procedures, common business strategy, the use of a common brand-name, or a significant part of professional resources.'

The definition of 'Network' is to be read in the context of the guidance provided in paragraphs 400.50 A1 to 400.54 A1 of APES 110.

**Non-audit services**

APES 110:R410.31(b)

Subject to limited exceptions<sup>70</sup>, a public interest entity must publicly disclose fees for non-audit services. This includes fees charged to the entity (client) and its related entities over which the entity (client) has direct or indirect control that are consolidated in the financial statements on which the auditor expresses an opinion.

<sup>70</sup> For more detail see APES 110 R410:32.

## Source

**66. Remuneration of auditors (continued)****Listed companies**

s.300(2),(2A)

Note: This disclosure may be provided in either the directors' report or in the financial report.

s..300(11B)(a), (11C)

Listed companies must disclose details of the amounts paid or payable to each auditor for non-audit services provided during the year by the auditor (or by another person or firm on the auditor's behalf). For the purposes of this requirement, the details required are the name of the auditor, and the dollar amount that the listed company or any entity that is part of the consolidated entity paid, or is liable to pay, for each of those non-audit services.

**67. Parent entity information**

The parent entity financial information shown below has been prepared using accounting policies consistent with those applied in the consolidated financial statements. Set out below is material accounting policy information specific to the parent entity financial information.

**Investments in subsidiaries, associates and joint ventures**

AASB 127:16(c)

Investments in subsidiaries, associates and joint ventures are accounted for at cost.

**Tax consolidation**

Int 1052:8

Int 1052 *Tax Consolidation Accounting* requires the current and deferred taxes arising in a tax-consolidated group to be allocated to the members of the group when they issue separate financial statements.

Int 1052:9

The following methods are examples of acceptable allocation methods:

- A "stand-alone taxpayer" approach for each entity, as if it continued to be a taxable entity in its own right
- A "separate taxpayer within group" approach for each entity, on the basis that the entity is subject to tax as part of the tax-consolidated group. This method requires adjustments for transactions and events occurring within the tax-consolidated group that do not give rise to a tax consequence for the group or that have a different tax consequence at the level of the group
- A 'group allocation' approach, under which the current and deferred tax amounts for the tax-consolidated group are allocated among each entity in the group (subject to certain limitations in paragraph 10).

More information about tax consolidation accounting can be found in the *Australian financial reporting guide*, available at [www.deloitte.com/au/models](http://www.deloitte.com/au/models)

The disclosures below illustrate the three acceptable tax allocation methods in int 1052:9 and assume the parent entity is the head entity in the tax consolidated group and that a tax funding arrangement exists and mirrors the tax allocation method used under Interpretation 1052. Where the tax funding arrangement does not mirror the tax allocation method, the disclosures should be amended as relevant to the entity's specific circumstances.

Int 1052:16

The company and its wholly-owned Australian resident entities are members of a tax-consolidated group under Australian tax law. The company is the head entity within the tax-consolidated group.

Source

## 67. Parent entity information (continued)

### Tax consolidation (continued)

Where the 'stand-alone taxpayer' approach is adopted, the following accounting policy wording may be adopted:

Amounts payable or receivable under the tax-funding arrangement between the company and the entities in the tax consolidated group are determined using a 'stand-alone taxpayer' approach to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group.

Transactions within the group are notionally considered a transaction with an external party in each entity and the tax is accounted in the same manner as if the transaction were with a party external to the group. The same basis is used for tax allocation within the tax-consolidated group.

Where the 'separate taxpayer within group' approach is adopted, the following accounting policy wording may be adopted:

Amounts payable or receivable under the tax-funding arrangement between the company and the entities in the tax consolidated group are determined using a 'separate taxpayer within group' approach to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group. This approach results in the tax effect of transactions being recognised in the legal entity where that transaction occurred but does not tax effect transactions that have no tax consequences to the group. The same basis is used for tax allocation within the tax-consolidated group.

Set out below is an example of a 'group allocation' approach. Where the entity uses an alternate group allocation method, the wording should be adapted to that method:

Amounts payable or receivable under the tax-funding arrangement between the company and the entities in the tax consolidated group are determined using a 'group allocation' approach (specified in the tax funding arrangement) to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group. The same basis is used for tax allocation within the tax-consolidated group.

The tax funding arrangement requires a notional current and deferred tax calculation for each entity as if it were a taxpayer in its own right, except that unrealised profits, distributions made and received and capital gains and losses and similar items arising on transactions within the tax-consolidated group are treated as having no tax consequence *[amend as applicable]*.

Source

## 67. Parent entity information (continued)

<b>Financial position</b>		<b>30/06/2024</b>	<b>30/06/2023</b>
		<b>\$'000</b>	<b>\$'000</b>
	<b>Assets</b>		
Reg2M.3.01(a),(k)	Current assets		
	Non-current assets		
Reg2M.3.01(b),(k)	<b>Total assets</b>		
	<b>Liabilities</b>		
Reg2M.3.01(c),(k)	Current liabilities		
	Non-current liabilities		
Reg2M.3.01(d),(k)	<b>Total liabilities</b>		
Reg2M.3.01(e),(k)	<b>Equity</b>		
	Issued capital		
	Retained earnings		
	Reserves:		
	- General reserve		
	- Asset revaluation		
	- Investments revaluation		
	- Equity-settled employee benefits		
	- Option premium on convertible notes		
	- Other <i>[describe]</i>		
	<b>Total equity</b>		
	<b>Financial performance</b>		
		<b>Year ended</b>	
		<b>30/06/2024</b>	<b>30/06/2023</b>
		<b>\$'000</b>	<b>\$'000</b>
Reg2M.3.01(f),(k)	Profit for the year		
	Other comprehensive income		
Reg2M.3.01(g),(k)	Total comprehensive income		
Reg2M.3.01(h),(k)	<b>Guarantees entered into by the parent entity in relation to the debts of its subsidiaries</b>		
		<b>30/06/2024</b>	<b>30/06/2023</b>
		<b>\$'000</b>	<b>\$'000</b>
	Guarantee provided under the deed of cross guarantee (i)		

(i) International GAAP Holdings Limited has entered into a deed of cross guarantee with two of its wholly-owned subsidiaries, Subthree Limited and Subseven Limited.

Source

**67. Parent entity information (continued)**

Reg2M.3.01(i), (k)

**Contingent liabilities of the parent entity**

[describe]

30/06/2024 \$'000	30/06/2023 \$'000
-	-

Reg2M.3.01(j), (k)

**Commitments for the acquisition of property, plant and equipment by the parent entity**

**Plant and equipment**

Not longer than 1 year

Longer than 1 year and not longer than 5 years

Longer than 5 years

30/06/2024 \$'000	30/06/2023 \$'000
_____	_____
_____	_____

s.295(2), (3),  
Reg2M.3.01

**Disclosures required in the notes to the consolidated financial statements**

- (1) Where consolidated financial statements are required by the accounting standards, the regulations require the notes to the financial statements of the consolidated entity to disclose:
  - (a) Current assets of the parent entity
  - (b) Total assets of the parent entity
  - (c) Current liabilities of the parent entity
  - (d) Total liabilities of the parent entity
  - (e) Shareholders' equity in the parent entity separately showing issued capital and each reserve
  - (f) Profit or loss of the parent entity
  - (g) Total comprehensive income of the parent company
  - (h) Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries
  - (i) Details of any contingent liabilities of the parent entity
  - (j) Details of any contractual commitments by the parent entity for the acquisition of property, plant or equipment
  - (k) Comparative information for the previous period for each of paragraphs (a) to (j)
- (2) The disclosures in subregulation (1) must be calculated in accordance with accounting standards in force in the financial year to which the disclosure relates
- (3) In the regulation: parent entity means a company, registered scheme or disclosing entity that is required by the accounting standards to prepare financial statements in relation to a consolidated entity.

# Consolidated entity disclosure statement

as at 30 June 2024

Below is an illustrative disclosure of a consolidated entity disclosure statement required by the Corporations Act (s.295(3A)(a)) which is suitable as a **guide** only. (For illustrative purposes, additional entities to those included in the International GAAP Holdings Limited consolidated financial statements are included in the below disclosure).

Entity name	Entity type	Body corporates		Tax residency	
		Place formed or incorporated	% of share capital held	Australian or foreign	Foreign jurisdiction
International GAAP Holdings Limited	Body corporate	Australia	N/A	Australian (iv)	N/A
Subone Limited (i)	Body corporate	Australia	90%	Australian	N/A
Subtwo Limited (i)	Body corporate	Australia	85%	Australian	N/A
Subthree Limited	Body corporate	Australia	100%	Australian (iv)	N/A
Subfour Limited	Body corporate	B Land	70%	Foreign	Jurisdiction B
Subfive Limited	Body corporate	C Land	100%	Foreign	Jurisdiction C
Subsix Limited (ii)	Body corporate	Australia	80%	Australian	N/A
Subseven Limited	Body corporate	Australia	100%	Australian (iv)	N/A
C Plus Limited (iii)	Body corporate	Australia	90%	Australian	N/A
Subsidiary A Limited	Body corporate	Australia	45%	Australian	N/A
Subsidiary B Limited (iii)	Body corporate	B Land	45%	Foreign	Jurisdiction B
Partnership A	Partnership	N/A	N/A	Foreign	Jurisdiction B & C
AGAAP Trust	Trust	N/A	N/A	Australian	N/A
B JV Limited	Body corporate	Australia	95%	Australian	N/A

Source: s.295(3A)(a)(i), (ii), (iv), (v),(vi), (vii)

## Source

s.295(3A)(a)(iii)

- (i) Participant in B JV Limited<sup>71</sup> which is consolidated in the consolidated financial statements
- (ii) Trustee of AGAAP Trust<sup>71</sup> which is consolidated in the consolidated financial statements
- (iii) These entities are partners in Partnership A<sup>71</sup> which is consolidated in the consolidated financial statements

Not mandatory

- (iv) This entity is part of a tax-consolidated group under Australian taxation law, for which International GAAP Holdings Limited is the head entity

<sup>71</sup> The name of the entity is not required.

## Source

s.295(3A)(b)

### **Making the statement when consolidated financial statements are not prepared**

Where a public company is not required to prepare consolidated financial statements, a consolidated entity disclosure statement is not required, but a statement that the entity is not required to prepare consolidated financial statements is required (rather than including information about each subsidiary). This statement is the consolidated entity disclosure statement for such a company.

Below example wording where s.295(3A)(b) applies.

#### ***Consolidated entity disclosure statement as at 30 June 2024***

Subsection 295(3A)(a) of the *Corporations Act 2001* does not apply to [Entity name/the company] as [Entity name/the company] is not required to prepare consolidated financial statements by Australian Accounting Standards.

### **More information about the statement**

More information on the on the consolidated entity disclosure statement is provided in:

- [Clarity publication](#) *New consolidated entity disclosure statement*
- Section B1.4.3 *Consolidated entity disclosure statement.*

# ASX disclosures

Below are illustrative disclosures required by the ASX which are suitable as a **guide** only.

## Source

### Additional securities exchange information as at 16 September 2024

The below illustrative disclosures required by the ASX listing rules are included outside the financial statements. As a result, these disclosures are not subject to audit nor included or referenced in the notes in the financial statements.

ASX-LR 4.10

Additional securities exchange information must be current as at a date specified by the entity which must be on or after the entity's balance sheet date and not be more than 6 weeks before the annual report is given to the ASX.

### Number of holders of equity securities

ASX-LR 19.12

Equity securities include shares, units, options over issued or unissued securities, rights to any one of the former securities and convertible securities.

ASX-LR 4.10.5

#### *Ordinary share capital*

\_\_\_ fully paid ordinary shares are held by \_\_\_ individual shareholders.

\_\_\_ partly paid ordinary shares, paid to \_\_\_ cents, are held by \_\_\_ individual shareholders. \_\_\_ cents per share may be called up in the event of winding up the company.

ASX-LR 4.10.6

All issued ordinary shares carry one vote per share, however, partly paid shares do not carry the rights to dividends.

ASX-LR 4.10.5

#### *Preference share capital*

ASX-LR 4.10.16

\_\_\_ \_\_\_ % converting non-participating preference shares are held by \_\_\_ individual shareholders.

\_\_\_ \_\_\_ % redeemable cumulative preference shares are held by \_\_\_ individual shareholders.

ASX-LR 4.10.6

All issued converting non-participating preference shares and redeemable cumulative preference shares carry one vote per share, however, the right to vote is restricted to meetings convened for the purpose of reducing the capital or winding-up or sanctioning the sale of the undertaking of the Company or where the proposition to be submitted to the meeting directly affects their rights and privileges or when the dividend on their particular class of preference shares is in arrears for more than six months.

ASX-LR 4.10.5

#### *Convertible notes*

\_\_\_ \_\_\_ % fully paid convertible notes are held by \_\_\_ individual noteholders.

ASX-LR 4.10.6

Convertible notes do not carry a right to vote.

ASX-LR 4.10.5

#### *Options*

ASX-LR 4.10.16

\_\_\_ options are held by \_\_\_ individual option holders.

ASX-LR 4.10.6

Options do not carry a right to vote.



**Source**

ASX-LR 4.10.7

**Distribution of holders of equity securities**

	Fully paid ordinary shares	Partly paid ordinary shares	Redeemable preference shares	Converting non-participating preference shares	Convertible notes	Options
1 – 1,000						
1,001 – 5,000						
5,001 – 10,000						
10,001 – 100,000						
100,001 and over						

ASX-LR 4.10.8

Holding less than a marketable parcel

ASX-LR 4.10.4

**Substantial shareholders**

Ordinary shareholders	Fully paid ordinary shares Number	Partly paid ordinary shares Number
X Holdings Limited		
XYZ Nominees Limited		
White Pty Ltd		

A substantial holder, in relation to a company and a trust which is a registered managed investment scheme, a substantial holder under s.671B of the Corporations Act.

s.9

A person has a substantial shareholding in a body corporate, or listed registered managed investment scheme, if:

- The total votes attached to voting shares in the body, or voting interests in the scheme, in which they or their associates:
  - Have relevant interests
  - Would have a relevant interest but for subsection 609(6) (market traded options) or 609(7) (conditional agreements)

is 5% or more of the total number of votes attached to voting shares in the body, or interests in the scheme, or

- The person has made a takeover bid for voting shares in the body, or voting interests in the scheme, and the bid period has started and not yet ended.

s.9

A voting share means an issued share in the body that carries any voting rights beyond the following:

- A right to vote while a dividend (or part of a dividend) in respect of the share is unpaid
- A right to vote on a proposal to reduce the body's share capital
- A right to vote on a resolution to approve the terms of a buy-back agreement
- A right to vote on a proposal that affects the rights attached to the share
- A right to vote on a proposal to wind the body up
- A right to vote on a proposal for the disposal of the whole of the body's property, business and undertaking
- A right to vote during the body's winding up.

## Source

ASX-LR 4.10.9

## Twenty largest holders of quoted equity securities

Ordinary shareholders	Fully paid ordinary shares		Partly paid ordinary shares	
	Number	Percentage	Number	Percentage
X Holdings Limited				
Woodstock Nominees Limited				
White Pty Ltd				
The Perri Family Trust				
Vente Nominees Limited				
P.T. Pretor				
ELC Superannuation Trust				
Inkerman Pty Limited				
Overta Nominees Limited				
P.H. Taylor				
C.W. Gouday				
K.B. Cai				
T.P. Kowood				
W.L. Yeo Family Trust				
Stock Pty Limited				
D.E. Portier				
A.L. Lauff				
P.D. Kimm				
C.P. Daniels				
C.J. Chambers				
Simichy Nominees Limited				
<hr/>				
<hr/>				
Convertible noteholders	Convertible notes			
	Number		Percentage	
Woodstock Nominees Limited				
Kowski Nominees Limited				
White Pty Ltd				
Smith Trust				
Giles Nominees Limited				
P.T. Pretor				
Insurance Company Limited				
P.H Taylor Family Trust				
Vente Nominees Limited				
C.W. Gouday				
K.B. Cai				
T.P. Saw				
Stock Pty Limited				
Hill Nominees Limited				
A.L. Lauff				
P.C. Ford				
Hanky Pty Limited				
D.E. Rendall				
Motter Trust				
Simichy Nominees Limited				
<hr/>				
<hr/>				

**Source**

ASX-LR 4.10.16

**Unquoted equity security holdings greater than 20%**

**Number**

**Converting non-participating preference shares**

Y Holdings Limited

Disclosure of the name of the holder and the number of equity securities held, where a person holds more than 20% of the equity securities in an unquoted class, is not required where the securities were issued or acquired under an employee incentive scheme.

ASX-LR 4.10.10

**Company secretary**

Mr A.B. Grey

ASX-LR 4.10.11

**Registered office**

10th Floor  
ALD Centre  
255 Deloitte Street  
SYDNEY NSW 2000  
Tel: (02) 5550 7000

**Principal administration office**

1st Floor  
167 Admin Ave  
SYDNEY NSW 2000  
Tel: (02) 7010 2000

ASX-LR 4.10.12

**Share registry**

ELC Share Registry Services  
Level 1  
50 Bridge Street  
SYDNEY NSW 2000  
Tel: (02) 5550 1000

**Other ASX information**

**All listed entities**

ASX-LR 4.10.14

The number and class of restricted securities or securities subject to voluntary escrow that are on issue, and the date that the escrow period ends, must be disclosed.

ASX-LR 4.10.18

An entity shall disclose whether there is a current on-market buy-back. That is, if an Appendix 3C has been given to the ASX for an on-market buy-back and no Appendix 3F has been given to the ASX for that buy-back.

ASX-LR 4.10.21

A summary of any issues of securities approved for the purposes of Item 7 of s.611 of the Corporations Act which have not yet been completed must be disclosed.

ASX-LR 4.10.22

If during the reporting period any securities of an entity were purchased on-market:

- Under or for the purposes of an employee incentive scheme, or
- To satisfy the entitlements of the holder of options or other rights to acquire securities granted under an employee incentive scheme,

an entity shall disclose the following information:

- The total number of securities purchased during the reporting period
- The average price per security at which the securities were purchased during the reporting period.

**Securities exchange listings**

ASX-LR 4.10.13

Where the entity is listed on a securities exchange other than the Australian Securities Exchange, the name of that exchange must be disclosed.

## Source

**Other ASX information (continued)****For listed investment entities**

ASX-LR 4.10.20

Listed investment entities must disclose:

- A list of all investments held by it and its child entities at the balance date
- The level 1, level 2 and level 3 inputs used to value its investments in accordance with Australian Accounting Standard AASB 13 *Fair Value Measurement* \*
- The net tangible asset backing of its quoted securities at the beginning and end of the reporting period and an explanation of any change therein over that period
- The total number of transactions in listed and unlisted securities and derivatives during the reporting period, together with the total brokerage paid or accrued during the period
- The total management fees paid or accrued during the reporting period, together with a summary of any management agreement.

\* *This can be disclosed in the financial statements in the entity's annual report*

ASX-LR 19.12

An investment entity is an entity which, in ASX's opinion, is an entity to which both of the following apply:

- Its activities or the principal part of its activities consist of investing (directly or through a child entity) in listed or unlisted securities or futures contracts
- Its objectives do not include exercising control over or managing any entity, or the business of any entity, in which it invests.

In deciding whether an entity is an investment entity ASX will normally have regard to factors including the extent of board representation, the size of the holdings, the investment period and the amount of cash held by the entity.

**For listed mining companies**

ASX-LR 5.6

Statements in the annual report of mining entities must comply with 5.7 to 5.24 and Appendix 5A of the Listing Rules.

**Annual reporting**

ASX-LR 5.20

A mining exploration entity must include in its annual report:

- The mining tenements held by the mining exploration entity and its child entities and their location
- The percentage interest it or they held in each mining tenement.

ASX-LR 5.21

A mining entity must include a mineral resources and ore reserves statement in its annual report which includes:

- A summary of the results of the mining entity's annual review of its ore reserves and mineral resources
- As at the mining entity's end of financial year (or such other appropriate disclosed date\*), the mining entity's mineral resource and ore reserves holdings in tabular form by commodity type (including grade or quality), by ore reserve category and mineral resource category, and by geographical area based on the materiality of the mineral resources and ore reserves holdings to the mining entity
  - \* Where the mining entity reports as a date other than the end of its financial year, the entity must include a brief explanation of any material changes in the mineral resources and ore reserves in the period between the date of annual review of its ore reserves and mineral resources and the end of financial year balance date
- A comparison of the mining entity's mineral resources and ore reserves holdings against that from the previous year including an explanation of any material changes in the mineral resources and ore reserve holdings from the previous year
- A summary of the governance arrangements and internal controls that the mining entity has put in place with respect to its estimates of mineral resources and ore reserves and the estimation process.

## Source

**Other ASX information (continued)****For listed oil and gas companies**

Statements in the annual report of oil and gas companies must comply with Listing Rules 5.25 to 5.44.

**Annual reporting**

ASX-LR 5.37

An oil and gas exploration entity must include in its annual report:

- The petroleum tenements held by the oil and gas exploration entity and its child entities and their locations
- The percentage interest it or they held in each petroleum tenement.

ASX-LR 5.38

An oil and gas entity that reports to the Securities and Exchange Commission of the United States of America (SEC) and files an SEC Form 10-K or 20-F Report with a US oil and gas reserves statement is not required to comply with the annual reserves statement requirements under ASX Listing Rule 5.39. In such a case, immediately after filing any such form or report with the SEC, the oil and gas entity must give a copy of the form or report to ASX for release to the market.

ASX-LR 5.39

Except where the above exception applies, an oil and gas entity must include a reserves statement in its annual report including the following information:

- As at the oil and gas entity's end of financial year balance date, the oil and gas entity's petroleum reserves holdings in tabular form reporting on the basis of total '1P' petroleum reserves and '2P' petroleum reserves (split between developed and undeveloped reserves by product) and by total aggregated '1P' and '2P' reserves by product and geographical area (split between developed and undeveloped petroleum reserves by geographical area)
- If the oil and gas entity has material unconventional petroleum resources, separate identification of the proportion of total '1P' and '2P' reserves that are based on unconventional petroleum resources
- A reconciliation of the oil and gas entity's petroleum reserves holdings against that from the previous year, including an explanation of any material changes from the previous year
- Specific information about any material concentrations of undeveloped petroleum reserves in material oil and gas projects which have remained undeveloped after 5 years from the date they were initially reported (including any work the entity is proposing to undertake towards development of the undeveloped petroleum reserves)
- A summary of the governance arrangements and internal control that the oil and gas entity has put in place, including the frequency and scope of any reviews or audits undertaken with respect to its estimates of petroleum reserves and the estimation process.

ASX-LR 5.25.7

Estimates of petroleum reserves in the reserves statement in the annual report must be reported in appropriate units for each individual product type reported. If estimates are also reported in units of equivalency, either of oil or gas, the entity must disclose in the report the conversion factor used.

## Source

ASX-LR 5.40

### Other ASX information (continued)

#### For listed oil and gas companies (continued)

##### Annual reporting (continued)

An oil and gas entity that:

- Reports on oil and gas entity level or other aggregated estimates of contingent resources in its reserve statement in its annual report, or
- Is exempt from the requirement to include a reserves statement in its annual report but wishes to report on oil and gas entity level or other aggregated estimates of contingent resources, by including that information in its annual report or in a statement to be provided to the ASX for release to the market with its annual report,

must include the following information in that reserve statement, annual report or other statement (as the case requires):

- Total '2C' contingent resources by product
- Aggregated '2C' contingent resources by product and geographical area
- Estimates of contingent resources must be made in the appropriate resources must be made for each individual product type reported. If estimates are also reported in units of equivalency either of oil or gas, the entity must disclose in the report the conversion factor used, in accordance with rule 5.25.7
- A reconciliation of the oil and gas entity's total 2C contingent resources holdings against that from the previous year, including an explanation of any material changes in those holdings from the previous year
- If the oil and gas entity has material unconventional petroleum resources, it must separately identify the portion of the total 2C contingent resources that are based on unconventional petroleum resources.

ASX-LR 4.10.19

#### For recently listed entities

In the first two annual financial reports after admission to the ASX, where an entity is admitted under ASX Listing Rule 1.3.2(b) or is required to comply with ASX Listing Rule 1.3.2(b) because of the application of ASX Listing Rule 11.1.3, the entity must state whether the entity used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. If the use was not consistent, an explanation of how the cash and assets were used must be disclosed.

# ASX Corporate Governance Principles and Recommendations

Corporate governance is a system of rules, practices, policies and processes by which a company is directed and controlled. It aims at balancing the interests of a company's stakeholders and furthermore, good corporate governance promotes investor confidence. The ASX Corporate Governance Principles and Recommendations ('Principles and Recommendations') set out recommended corporate governance practices for entities listed on the ASX.

The Principles and Recommendations are not mandatory. As a result if a listed entity considers that a recommended principles/recommendation is not appropriate for the entity to adopt, it is entitled not to adopt it. However, the entity must explain why it has not adopted the principle/recommendation – seen as the "if not, why not" approach.

Unlisted entities are not required to report against the Principles and Recommendations however, may choose to adopt the Principles and Recommendations.



## Proposed fifth edition of the Corporate Governance Council Principles and Recommendations

On 27 February 2024, the ASX Corporate Governance Council released [consultation materials](#) for a proposed fifth edition of the Corporate Governance Council Principles and Recommendations.

The consultation proposed to retain the existing 8 core principles (with some amendments), 33 general recommendations and 7 additional recommendations (up from 3) applying in limited situations. Recommendations duplicating existing regulation or other requirements in Australian law would be removed and the layout, language and ordering of the document would be amended.

The closing date for submissions on the proposals is 6 May 2024. The Council envisages finalising the new Principles and Recommendations early in calendar 2025 with a likely start date of 1 July 2025.

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## Fourth edition of the Corporate Governance Council Principles and Recommendations

The principles set out below are those outlined in the fourth edition of the [Corporate Governance Principles and Recommendations](#) which was issued in February 2019.

The ASX corporate governance considerations applicable to listed entities are set out below:

Source	Requirement
ASX-LR 4.10.3	<p><a href="#">Australian Securities Exchange Listing Rule 4.10.3</a> requires companies to disclose the extent to which they have complied with the best practice recommendations of the ASX Corporate Governance Council during the reporting period. This disclosure is required either in the annual report or the annual report should include a link to the company's corporate governance statement on the company's website. Where a recommendation has not been followed for any part of the reporting period, the corporate governance statement must separately identify that recommendation and the period during which it was not followed and the entity must justify the reason for the non-compliance and what (if any) alternative governance practices it has adopted.</p> <p>The corporate governance statement must also:</p> <ul style="list-style-type: none"> <li>• Specify the date at which it is current (must be entity's balance sheet date or a later date specified by the entity)</li> <li>• State that it has been approved by the board of the entity or the board of the responsibility entity of a trust.</li> </ul>
ASX-GN 9	<p><b>Recommendations</b></p> <p>To assist companies in complying with the guidelines, the ASX has issued <a href="#">Guidance Note 9 'Disclosure of Corporate Governance Practices'</a>, most recently amended to reflect amendments made by the ASX Corporate Governance Council in January 2020 to reflect the fourth edition of the Principles and Recommendations issued in February 2019 (which apply to the first full financial year commencing on or after 1 January 2020).</p> <p>It is important that listed entities refer to the complete document when preparing their reports as they provide comprehensive and invaluable guidance in relation to implementation of the Principles and Recommendations. The recommendations of the ASX Corporate Governance Council, including corporate governance practices and suggested disclosures, are set out below. The recommendations are differentiated between the eight core principles that the ASX Corporate Governance Council believes underlie good corporate governance. Entities must disclose any instances of non-compliance with these recommendations.</p>
Corporate Governance Principles and Recommendations (Fourth Edition)	<p><b>Principle 1 – Lay solid foundations for management and oversight</b></p> <ol style="list-style-type: none"> <li>1.1 A listed entity should have and disclose a board charter setting out:             <ol style="list-style-type: none"> <li>(a) The respective roles and responsibilities of its board and management</li> <li>(b) Those matters expressly reserved to the board and those delegated to management.</li> </ol> </li> <li>1.2 A listed entity should:             <ol style="list-style-type: none"> <li>(a) Undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director</li> <li>(b) Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</li> </ol> </li> <li>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</li> <li>1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</li> <li>1.5 A listed entity should:             <ol style="list-style-type: none"> <li>(a) Have and disclose a diversity policy</li> <li>(b) Through its board or committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally</li> <li>(c) Disclose in relation to each reporting period:                     <ol style="list-style-type: none"> <li>1. The measurable objectives set for that period to achieve gender diversity</li> <li>2. The entity's progress towards achieving those objectives</li> <li>3. Either:</li> </ol> </li> </ol> </li> </ol>



**Source****Requirement**

- a. The respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined 'senior executive' for these purposes), or
- b. If the entity is a 'relevant employer' under the Workforce Gender Equality Act, the entity's most recent 'Gender Equality Indicators', as defined and published under that Act.

If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.

- 1.6 A listed entity should:
  - (a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors
  - (b) Disclose, for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period
- 1.7 A listed entity should:
  - (a) Have and disclose a process for periodically evaluating the performance of its senior executives at least once each reporting period
  - (b) Disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

**Principle 2 - Structure the board to be effective and add value**

- 2.1 The board of a listed entity should:
  - (a) Have a nomination committee which:
    1. Has at least three members, a majority of whom are independent directors, and
    2. Is chaired by an independent director and disclose
      3. The charter or the committee
      4. The members of the committee
      5. As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings, or
  - (b) If it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.
- 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.
- 2.3 A listed entity should disclose:
  - (a) The names of the directors considered by the board to be independent directors
  - (b) If a director has an interest, position, association or relationship of the type described below but the board is of the opinion that it does not compromise the independence of the directors, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion:
    - The director is, or has been, employed in the executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board
    - The director receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of the entity
    - The director is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship
    - The director is, represents, or is or has been within the last three year an officer or employee of, or professional adviser to, a substantial holder

**Source**

**Requirement**

- The director has close personal ties with any person who falls within any of the categories described above
- The director has been a director of the entity for such a period that their independence from management and substantial holds may have been compromised.
- (c) The length of service of each director.
- 2.4 A majority of the board of a listed entity should be independent directors.
- 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.
- 2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

**Principle 3 – Instil a culture of acting lawfully, ethically and responsibly**

- 3.1 A listed entity should articulate and disclose its values
- 3.2 A listed entity should:
  - (a) Have and disclose a code of conduct for its directors, senior executives and employees
  - (b) Ensure that the board or a committee of the board is informed of any material breaches of that code.
- 3.3 A listed entity should:
  - (a) Have and disclose a whistleblower policy
  - (b) Ensure that the board or a committee of the board is informed of any material incidents reported under that policy
- 3.4 A listed entity should:
  - (a) Have and disclose an anti-bribery and corruption policy
  - (b) Ensure that the board or a committee of the board is informed of any material breaches of that policy.

**Principle 4 - Safeguard the integrity of corporate reports**

- 4.1 The board of a listed entity should:
  - (a) Have an audit committee which:
    - 1. Has at least three members, all of whom are non-executive directors and a majority of whom are independent directors, and
    - 2. Is chaired by an independent director, who is not the chair of the board
 and disclose:
    - 3. The charter of the committee
    - 4. The relevant qualifications and experience of the members of the committee
    - 5. In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings, or
  - (b) If it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.
- 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively
- 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

**Source**

**Requirement**

**Principle 5 - Make timely and balanced disclosures**

- 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1
- 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.
- 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

**Principle 6 - Respect the rights of security holders**

- 6.1 A listed entity should provide information about itself and its governance to investors via its website
- 6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors
- 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders
- 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands
- 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

**Principle 7 - Recognise and manage risk**

- 7.1 The board of a listed entity should:
  - (a) Have a committee or committees to oversee risk, each of which:
    - 1. Has at least three members, a majority of whom are independent directors
    - 2. Is chaired by an independent director
 and disclose:
    - 3. The charter of the committee
    - 4. The members of the committee
    - 5. As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings, or
  - (b) If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.
- 7.2 The board or a committee of the board should:
  - (a) Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with the due regard to the risk appetite set by the board
  - (b) Disclose, in relation to each reporting period, whether such a review has taken place.
- 7.3 A listed entity should disclose:
  - (a) If it has an internal audit function, how the function is structured and what role it performs, or
  - (b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes
- 7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

**Principle 8 - Remunerate fairly and responsibly**

- 8.1 The board of a listed entity should:
  - (a) Have a remuneration committee which:
    - 1. Has at least three members, a majority of whom are independent directors, and
    - 2. Is chaired by an independent director
 and disclose:
    - 3. The charter of the committee
    - 4. The members of the committee

**Source**

**Requirement**

- 5. As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings, or
  - (b) If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive
- 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.
- 8.3 A listed entity which has an equity-based remuneration scheme should:
  - Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme
  - Disclose that policy or a summary of it.

**Additional recommendations that apply only in certain cases**

- 9.1 A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.
- 9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.
- 9.3 A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

**Externally managed listed entities**

The current version of the Corporate Governance Principles and Recommendations includes additional guidance on the application of the recommendations to externally managed entities.

The following recommendations are those which do not apply:

1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 2.1, 2.2, 2.4, 2.5, 2.6, 8.1, 8.2, 8.3, 9.1 and 9.2.

The entity may simply state that these recommendations are “not applicable” in its corporate governance statement.

For the following recommendations the normal requirements do not apply, but in lieu of these requirements alternative recommendations apply:

1.1, 8.1, 8.2 and 8.3.

The recommendations and alternative recommendations listed below, apply to externally managed listed entities with specific guidance on application:

- Alternative recommendation 1.1 – The responsible entity of an externally managed listed entity should disclose (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements
- Alternative recommendation 8.1, 8.2 and 8.3 – An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.

# Tax transparency report

## Source

### Basis of preparation

This tax transparency report of GAAP Holdings Limited has been prepared considering the requirements of the Tax Transparency Tax Code (TTC) released by the Federal Government Board of Taxation in February 2016.

This report does not consider the consultation paper issued by the Board of Taxation in February 2019 arising from the post implementation review of the Tax Transparency Code or the Draft Appendix to the Code issued by the Australian Accounting Standards Board as these have not been finalised.

The report is prepared for the income year ended 30 June 2024 and the comparative period 30 June 2023. All amounts in this report are presented in Australian Dollars (\$).

### Tax policy, tax strategy and governance summary

Tax transparency code – Part B

As a minimum requirement for large businesses<sup>72</sup> the tax policy, tax strategy and governance summary should provide information about the business's tax policy or tax strategy, including its:

- Approach to risk management and governance arrangements
- Attitude towards tax planning
- Accepted level of risk in relation to taxation
- Approach to engagement with the ATO.

[Describe]

Tax transparency code – Part B

Large and medium businesses<sup>72</sup> should provide additional information identified as of interest to the community:

- An overview of the business's operations (perhaps adapted from the directors' report)
- Its approach to engagement with other tax authorities
- A description of the assurance regimes it is subject to, e.g. internal audit, external audit, Advance Compliance Agreements, Advance Pricing Arrangements and ATO pre-lodged compliance review.

[Describe]

### Reconciliation of accounting profit to income tax expense and from income tax expense to income tax paid or income tax payable

Tax transparency code – Part A

As a minimum requirement, large and medium businesses should provide a reconciliation of accounting profit to income tax expense, and from income tax expense to income tax paid or income tax payable (identifying material temporary and non-temporary differences).

Draft Appendix to the Tax Transparency Code paragraph 54

The reconciliation required by the TTC builds on the disclosure requirements of AASB 112. Accordingly, entities may want to make the reconciliation disclosure required by the TTC in financial statements to minimise duplication.

<sup>72</sup> 'Large businesses' are defined in the Tax Transparency code as businesses with aggregated Tax Transparency Code (TTC) Australian turnover of AUD 500 million or more. 'Medium businesses' are defined as businesses with aggregated TTC Australian turnover of at least AUD 100 million but less than AUD 500 million.

## Source

**Reconciliation of accounting profit to income tax expense and from income tax expense to income tax paid or income tax payable (continued)**

Note 12 of the consolidated financial statements of International GAAP Holdings Limited provides a reconciliation of the consolidated accounting profit to income tax expense prepared for the statutory accounts in accordance with Australian Accounting Standards.

Draft Appendix to the Tax Transparency Code paragraph 65

The following transactions gave rise to differences between tax and accounting during the period:

- Impairment loss on property, plant and equipment
- Deferred revenue assessable for tax
- Non-deductible legal costs
- Non-refundable carry forward tax offsets from research and development
- Capital expenditure deductible over 5 years
- Different tax rates from the Australian tax rate
- [Describe]

**Reconciliation of accounting profit to income tax expense and from income tax expense to income tax paid or income tax payable (continued)**

Below is a reconciliation of International GAAP Holdings Limited's accounting profit to current income tax expense.

	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit before tax		
Income tax calculated at 30% (2023: 30%)		
<b>Non-temporary differences – tax effected at 30%</b>		
Non-deductible expenses		
Non-assessable income		
Unfranked dividends		
Impairment of tax depreciable intangible asset		
[Other - describe]		
<b>Current tax expense – current year</b>		
Under/(over) provision of current tax		
<b>Current tax expense</b>		
<b>Temporary differences – tax effected at 30%</b>		
Fair value (gain)/loss on investment property		
Gains on shares designated as at fair value through profit or loss		
Difference between accounting and tax depreciation		
[Other - describe]		
<b>Deferred tax expense</b>		
<b>Income tax expense recognised</b>		

**Source**

**Material temporary and non-temporary differences**

[Describe]

Tax transparency code  
– Part A

**Income taxes payable and paid**

Set out below is the estimated income tax payable and paid to the ATO.

	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Income tax payable at the beginning of the year		
Less prior year over provision of current tax (see above)		
Less income tax paid during the year		
Current tax expense – current year (see above)		
Current tax – recognised in equity		
Current tax – recognised in other comprehensive income		
<b>Income taxes payable at the end of the reporting period</b>		
Less current year over provision of current tax		
Add income tax paid during the year		
<b>Income taxes paid during the reporting period</b>		

**Australian accounting effective tax rate (ETR) and a global ETR**

Tax transparency code  
– Part A

As a minimum requirement, large and medium business should provide disclose an Australian accounting effective tax rate (ETR) and a global ETR for the worldwide accounting consolidated group calculated based on company tax expense.

In addition, where relevant, large and medium businesses should provide an additional ETR based on total tax expense, including taxes other than income tax (particularly in some industries).

**Accounting profit**

Draft Appendix to the  
Tax Transparency Code  
paragraph 32

'Accounting profit' is not defined in the TTC, but is defined by the Australian Accounting Standards as profit or loss per the statement of comprehensive income (i.e. before income tax expense) or its equivalent.

Draft Appendix to the  
Tax Transparency Code  
paragraph 33

Subsequent to the finalisation of the TTC, the Board of Tax has indicated to the AASB that for the purposes of the TTC, the use of the term 'accounting profit' was not intended to restrict the denominator in calculating TTC ETRs to accounting profit as defined by Australian Accounting Standards. Accordingly, this guidance allows entities to use either accounting profit in accordance with accounting standards or other measures of profits, such as underlying earnings, where this is considered more relevant to users.

**Australian and global operations**

Draft Appendix to the  
Tax Transparency Code  
paragraph 36

The TTC defines 'global operations' to mean the entity's worldwide accounting consolidated group. Accordingly, this will include all entities consolidated in accordance with AASB 10 *Consolidated Financial Statements* if there is an Australian parent, IFRS 10 *Consolidated Financial Statements* or an equivalent relevant national accounting standard where the parent is not Australian.

Draft Appendix to the  
Tax Transparency Code  
paragraph 43

For global operations calculations the consolidated group for accounting purposes is used for both the TTC ETR and accounting ETR.

Source

**Australian accounting effective tax rate (ETR) and a global ETR (continued)**

**Australian and global operations (continued)**

Draft Appendix to the Tax Transparency Code paragraph 37

An entity's Australian operations for the purposes of the Australian TTC ETR calculation should encompass:

- (a) Companies, partnerships or trusts established under Australian law (regardless of where they operate)
- (b) Australian permanent establishments as per Australian tax law, if not captured by (a).

**TTC ETR versus accounting ETR**

AASB 112.86

As per AASB 112 *Income Taxes* The average effective tax rate is the tax expense (income) divided by the accounting profit.

Draft Appendix to the Tax Transparency Code paragraph 43

The TTC ETR may differ to the accounting ETR as a result of the following differences:

- Numerator – tax expense: For TTC ETR it is the company tax expense only whereas the accounting ETR is broader as it includes taxes based on profit e.g. Petroleum Resource Rent Tax
- Denominator – accounting profit: For TTC ETR it is the accounting profit per the accounting standards, or alternative measures such as underlying earnings for. However for accounting ETR it is the accounting profit per accounting standards.

Draft Appendix to the Tax Transparency Code paragraph 45

Where the TTC and accounting ETRs differ, to avoid misleading users of either the financial statements or a separate taxes paid report, the TTC ETRs are considered non-IFRS numbers. Accordingly, both the accounting and TTC ETRs should be presented together, regardless of where the TTC ETRs are located.

The effective tax rate (ETR) set out below is calculated as income tax expense divided by accounting profit.

International GAAP Holdings Limited's accounting and TTC ETR for Australian and global operations are the same.

	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Income tax expense	_____	_____
Accounting profit before tax	_____	_____
Accounting and TTC effective rate	___ %	___ %



Source

**Deferred tax**

	<b>30/06/2023</b>	<b>Movement</b>	<b>30/06/2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Deferred tax assets</b>			
Provisions and accruals			
Tax losses			
Retirement benefit obligations			
Lease liabilities			
Share-based payments			
<i>[Other – describe]</i>			
<b>Deferred tax liabilities</b>			
Accelerated tax depreciation			
Revaluation of building			
Deferred development costs			
Revaluation of financial assets			
Convertible loan note – equity component			
Intangible assets			
Right-of-use assets			
Investment property			
Investment in shares			
<i>[Other – describe]</i>			
<b>Net deferred tax asset / (liability)</b>			

Source

Tax transparency code  
– Part B

### Australian tax contribution summary

A tax contribution summary, with core and optional elements:

- As a minimum requirement for large businesses disclose Australian corporate income tax

In addition, where relevant, large businesses should disclose:

- Other Australian taxes and imposts paid to government, for example Petroleum Resource Rent Tax, royalties, excises, payroll taxes, stamp duties, fringe benefits tax and state taxes
- Government imposts collected by the business on behalf of others, e.g. GST and Pay As You Go withholding taxes.

The TTC suggests that businesses consider the use of charts, diagrams and trend data to improve communication of this information to the public.

### Tax paid by International GAAP Holdings Limited

International GAAP Holdings Limited pays both Australian federal and state tax which comprises the taxes set out below.

	30/06/2024			30/06/2023		
	Federal \$'000	State \$'000	Total \$'000	Federal \$'000	State \$'000	Total \$'000
Corporate income tax						
Payroll tax						
Property taxes						
Fringe benefits tax						
Petroleum resource rent tax						
[Other - describe]						
<b>Total</b>						

The above example shows the split of taxes between Federal and State governments. This is considered good practice but may not be strictly required by the TTC.

### Tax collected on behalf of the Australian tax authorities

In addition to the taxes paid above, International GAAP Holdings Limited collected the following amounts on behalf of Australian tax authorities.

	30/06/2024 \$'000	30/06/2023 \$'000
Goods and services tax (GST)		
Pay as you go (PAYG) withholding from employees		
[Other - describe]		
<b>Total</b>		

**Source**

Tax transparency code  
– Part B

**International related party dealings summary**

As a minimum requirement for large businesses an international related party dealings summary should provide a qualitative disclosure of key categories of dealings with offshore related parties which have a material impact on the business's Australian taxable income, including the nature of material categories of dealings and the country in which the related party is located.

[Describe]

The table below sets out details of GAAP Holdings Limited's International related party dealings

<b>Country</b>	<b>Nature of transactions</b>	<b>30/06/2024 \$'000</b>	<b>30/06/2023 \$'000</b>
[Describe]	[Describe]		
[Describe]	[Describe]		
[Describe]	[Describe]		



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