



Cleared for take-off

Corporate reporting update

Agenda



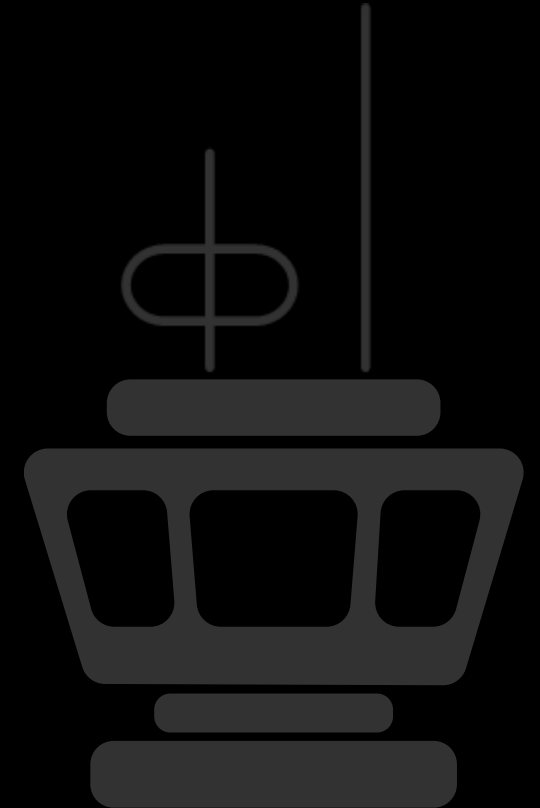
Flight plan Setting course for June 2025



Engine check ASIC focus areas



Approaching the runway Climate reporting updates



Flight plan

Setting course for June 2025





Effective 1 Jan 2024

Limited classification changes

New disclosures

Right to defer settlement >12 months

Ignore expectation of early settlement

Disclosure - Tier 1 only

Note X (a) - Expected settlement

Expectation of early settlement

Conditional rollover rights

Covenants on loans

No impact to classification unless breached

Ignore expectation of breach

Disclosure - Tier 1 & 2

Note X (b) - Covenants on loans

Nature of covenants & when tested
Carrying amount of related liabilities

Risk of breaching covenants

Clarifications to segment disclosures



Assess & action this June

Possible disaggregation

AASB 8 *Operating Segments* specified line items

External revenue	Inter-segment revenue	Interest revenue & expense
Depreciation & amortisation	Equity method interest	Tax

Material items

Impairments	Restructurings	Gain/loss on disposals
Settlement of litigation	Reversal of provisions	Entity-specific items



Included in segment measure

or



Provided separately to CODM



Not full P&L for each segment



Existing materiality principles apply

- ☐ Check current/non-current classification
- ☐ Assess covenants tested in next 12 months & disclose if necessary
- ☐ Ensure segment report includes specified & material line items
- ☐ Consider impact of other changes
 - Consolidated entity disclosure statement
 - Supplier finance disclosures
 - Sale & leasebacks
 - Pillar Two current tax disclosure

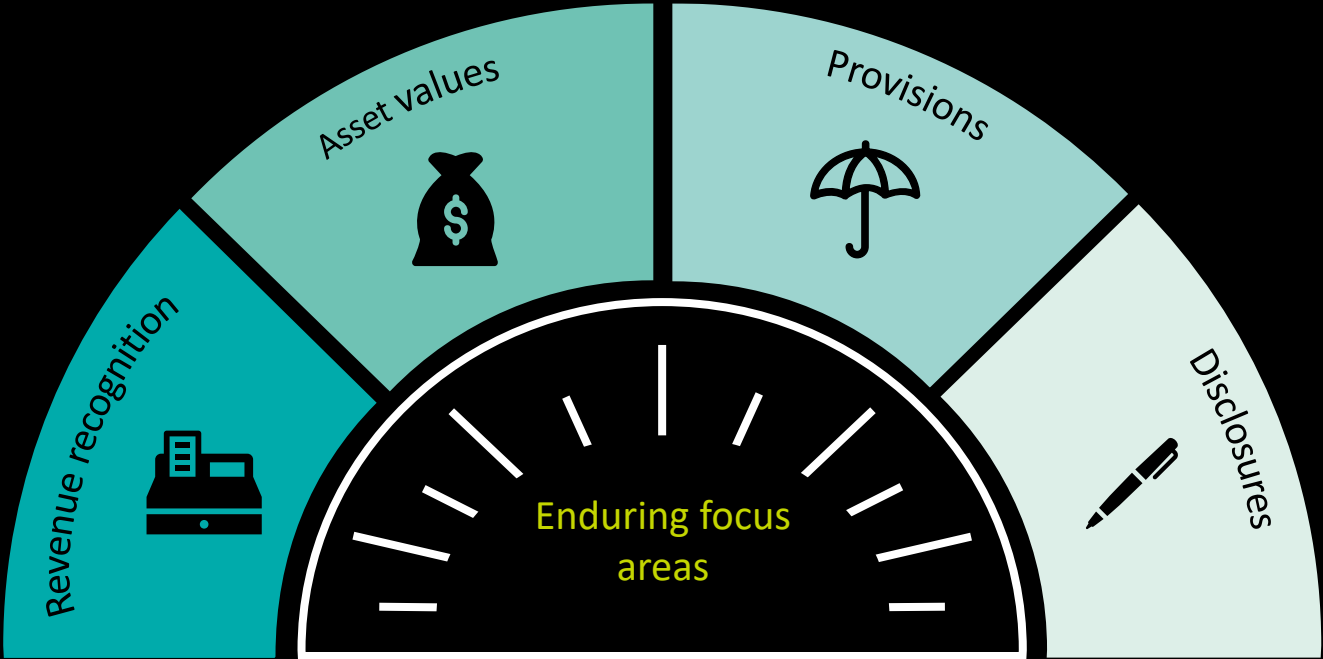


Engine check ASIC focus areas



Engine check ASIC focus areas

Putting 2025 into focus this reporting season



Inflation & interest rates

Global trade & tariffs

Market volatility

Discount rates

Expected credit losses

Impairment

Business models

Onerous contracts

Judgements & estimates

Subsequent events

Engine check ASIC focus areas

Navigating expected credit losses through economic uncertainty



Asset values | Inflation & interest rates | Market volatility



Altitude Optics

- Australian manufacturing
- Global wholesaler
- 30 June year end
- Runway Shades
- Boutiques & online customers
- **General & specific ECL provisions**

Ongoing assessment

Economic environment?

Specific events?

Connection between general & specific provisions?

ECL considerations

Specific provision for individual customer

Representative of wider customer population

Disclosures



Engine check ASIC focus areas

Unpacking uncertainty in impairment models



Asset values | Global trade & tariffs



Altitude Optics

- Australian manufacturing
- Global wholesaler
- 30 June year end
- Runway Shades
- Boutiques & online customers
- CGU in country with tariffs

Impairment considerations

Expected vs single value	Cash flows	Discount rate
Cost of sales	Customer demand	Pricing strategy
Capex spending	Logistics & transition costs	Inventory levels & holding costs



Engine check ASIC focus areas

Pre-flight checks for ASIC focus areas

- ☐ Map enduring focus areas to business model
- ☐ Monitor the ever-changing economic environment for impacts to operations
- ☐ Revisit key judgements & estimates
- ☐ Ensure disclosures appropriately reflect the underlying uncertainties
- ☐ Be mindful of connectivity of information



Approaching the runway Climate reporting updates



Approaching the runway Climate reporting updates

Climate reporting focuses for 2025

Effective periods ending 31 December 2025, assurance phased in over time

Governance

Factual depiction of processes, controls & procedures

Strategy

Materiality key for disclosure of risks & opportunities

Risk management

To identify, assess, prioritise & monitor risks & opportunities

Metrics & targets

Scope 1 & 2 assured in year 1, utilise available data sources



Consider new regulatory guidance from ASIC



Quantification of anticipated financial effects



Who reports & when?

Content of report

Directors' duties

Approach to surveillance

Initially proportionate & pragmatic



Engage directly with entities



Enforcement primarily for serious misconduct

Retention of records

- ✓ Inputs & assumptions
- ✓ Board papers
- ✓ External/expert reports
- ✓ GHG inventories
- ✓ Financial records

Size thresholds



Revenue – Broader than AASB 15
Employees – Consider AASB 2

Voluntary sustainability reporting



Clearly differentiate from mandatory information

Approaching the runway Climate reporting updates

Disclosure & quantification of anticipated financial effects



Current & anticipated financial effects of CRROs on financial performance, position & cash flows

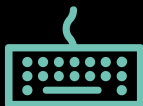
Extract – Harvest Air Ltd – 31 December 2025

For each CRRO or group

Current vs anticipated effects

Single amount or range quantified

Financial effects of flood risk				
AUD \$ million	Anticipated effects (per year)			
	Current effects	Short-term	Medium-term	Long-term
Financial performance				
Cost of sales	↑ 6m	↑ 7m	↑ 6.5 – 7.5m	↑ 6.5 – 8m
Financial position				
Inventory	↑ 3m	↑ 4.5m	↑ 4 – 5.5m	↑ 4 – 6m
Cashflows				
Operating cashflows	↓ 9m	↓ 11.5m	↓ 10.5 – 12.5m	↓ 10.5 – 14.5m



Sources of information

- Historical & projected flood repair costs
- Insurance & planning data
- External benchmarks & scenarios



Qualitative information

- Cause of impact
- Key assumptions & judgements

Approaching the runway Climate reporting updates

Gearing up for climate reporting

- ☐ Familiarise yourself with RG280
- ☐ Ensure processes & documentation will hold up to ASIC surveillance
- ☐ Leverage financial reporting skill set
- ☐ Stay alert to emerging guidance



Wrap up

Announcement from the flight deck



Flight path

Refine liability classifications & sharpen segment disclosures



Engine check

Prioritise asset values, provisions, disclosures & subsequent events this reporting season



Approaching the runway

Mandatory climate reporting & assurance is here



Resources
card

Clarity in
financial
reporting

Questions

Flight crew are standing by to help!

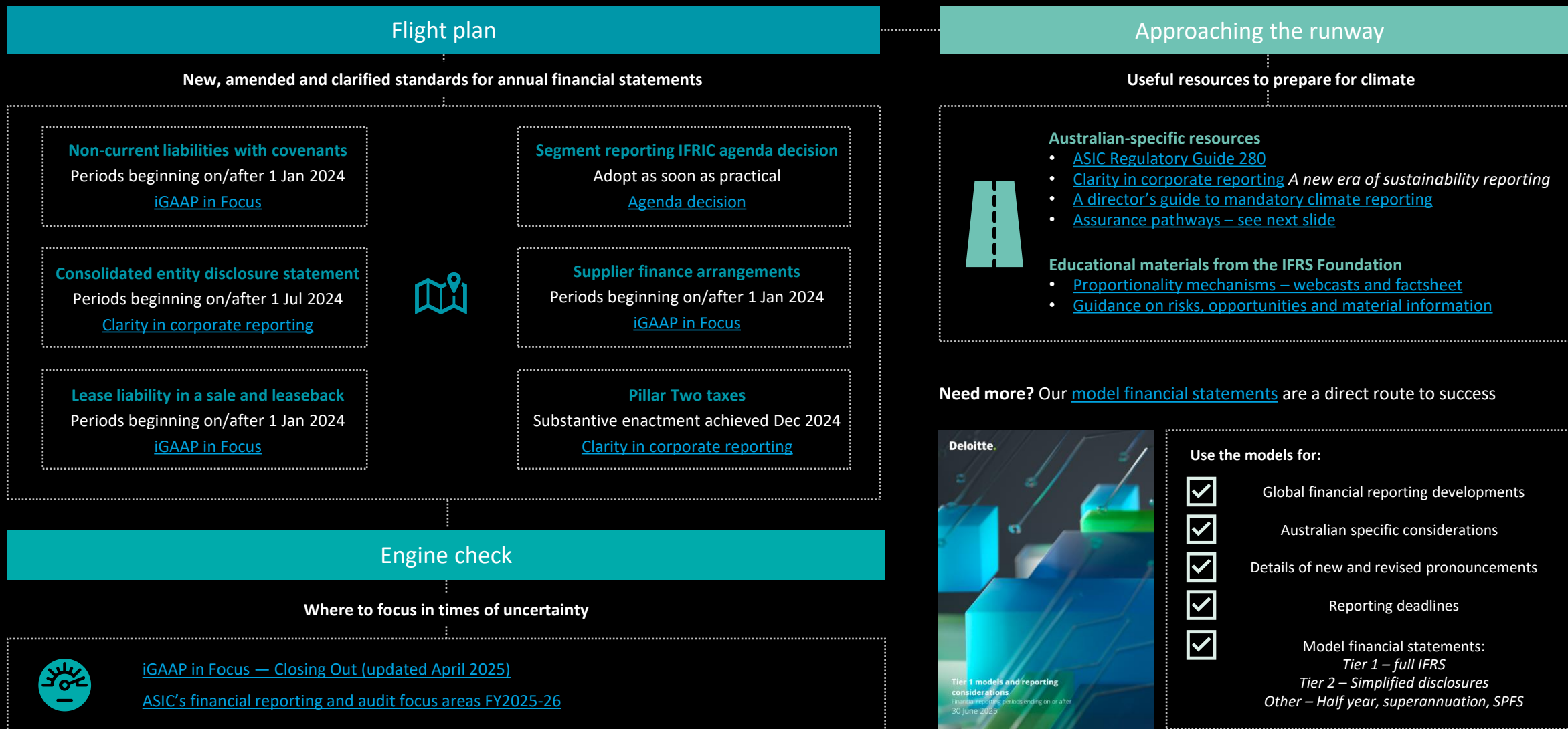


Resources



Resources card

Where to find more information on the topics discussed



Need more? Our [model financial statements](#) are a direct route to success



Use the models for:

- ☒ Global financial reporting developments
- ☒ Australian specific considerations
- ☒ Details of new and revised pronouncements
- ☒ Reporting deadlines
- ☒ Model financial statements:
 - Tier 1 – full IFRS
 - Tier 2 – Simplified disclosures
 - Other – Half year, superannuation, SPFS

Resources card

AJASB's ASSA 5010 assurance phasing

For more details refer to [Clarity Publication: A new era of sustainability reporting](#)

Reporting year	1		2	3	4
Group 1 years commencing 1 Jan - 30 June*	1 Jan 2025 – 30 June 2025	1 July 2025 – 30 June 2026	1 July 2026 – 30 June 2027	1 July 2027 – 30 June 2028	1 July 2028 onwards
Group 1 years commencing 1 July - 31 Dec		1 July 2025 – 30 June 2026	1 July 2026 – 30 June 2027	1 July 2027 – 30 June 2028	1 July 2028 onwards
Group 2		1 July 2026 – 30 June 2027	1 July 2027 – 30 June 2028	1 July 2028 – 30 June 2029	1 July 2029 onwards
Group 3		1 July 2027 – 30 June 2028	1 July 2028 – 30 June 2029	1 July 2029 – 30 June 2030	1 July 2030 onwards
Disclosure area	Level of assurance				
Governance	Partial limited		Full limited	Full limited	Full reasonable
Strategy - risks and opportunities**					
Climate resilience assessments/Scenario analysis	None				
Transition plans					
Risk management	Partial limited				
Scope 1 and 2 emissions					
Scope 3 emissions***	None				
Climate-related metrics and targets					

*Group 1 entities with years commencing 1 January to 30 June are subject to 2 years of partial limited assurance

** Only subparagraphs 9(a), 10(a) and 10(b) of AASB S2 Climate-related Disclosures

***Transition relief in AASB S2 provides an exemption from disclosing scope 3 emissions for the first year



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