

Tier 1 models and reporting considerations

Financial reporting periods ending on or after
31 December 2025

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Introduction

The demand for consistent and transparent communication has never been more critical

The year ending 31 December 2025 marks a significant turning point for Australian reporting, with mandatory sustainability reporting requirements coming into effect. The introduction of these requirements reflects a broader shift towards greater transparency and accountability on environmental, social, and governance (ESG) matters, combining financial and climate-related perspectives and responding to rising expectations from investors, regulators, and the broader community.

A central feature of the new sustainability reporting framework is the requirement for strong connectivity between climate-related disclosures and the other information provided in the annual report, including financial statements and the directors' report. This integrated approach is designed to provide users with a coherent, consistent view of an entity's performance and prospects, reducing the risk of greenwashing and enhancing confidence in reported information. Boards and management need to implement and maintain robust processes to ensure that narrative and financial disclosures are aligned and substantiated by evidence. Notwithstanding this, sustainability and financial reporting have different perspectives and time horizons and where connectivity is not possible, clear and transparent explanations will enhance investor trust and understanding.

ASIC recently announced its focus areas for 2025-2026, including enduring topics, such as impairment and asset values, revenue, provisions, disclosures and subsequent events, as well as specific focus areas for the next reporting period. ASIC will specifically focus in 2025-2026 on review of sustainability reports of "Group 1" entities with the purpose of sharing observations to assist the market in navigating new climate-related reporting requirements. In addition to that, ASIC announced a broad surveillance program focused on non-lodgement of financial reports signalling its continued focus on monitoring the compliance with the lodging requirements.

The reporting environment is further complicated by ongoing geopolitical tensions and global trade and macroeconomic uncertainties. Disruptions to supply chains, fluctuating commodity prices, and changing trade dynamics continue to impact business operations and financial performance. These factors heighten the need for transparent disclosure of the potential impacts of such events on an entity's financial position, performance and cash flows. Entities must remain vigilant, ensuring that financial statements and accompanying disclosures provide a realistic and up-to-date reflection of the risks and uncertainties faced by the business.

September 2025



"Mandatory sustainability reporting brings climate-related risks and opportunities into sharp board and investor focus"

Alison White
National Leader
Accounting & Corporate Reporting

Key considerations for 31 December 2025



This section provides pertinent information for corporate reporting at 31 December 2025, including what's new for the current reporting season, a summary of new and revised pronouncements, developments in sustainability reporting and reporting deadlines.

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A. What's new in corporate reporting?

This section provides an overview of the key corporate reporting considerations for financial reporting periods ending on 31 December 2025.

Roadmap to this section

Topic	What is covered
A1 Key corporate reporting considerations for 31 December 2025	An easy-to-follow summary of the key changes and other considerations for corporate reporting at 31 December 2025
A2 Ongoing financial reporting considerations	• Key considerations for financial reporting • Key publications
A3 Key global financial reporting developments	• Global agreement on corporate taxation • Lack of exchangeability • Recent IFRIC agenda decisions
A4 Australian specific considerations	• Accounting and reporting implications of recent Australian government initiatives • ASIC focus areas and findings • Consolidated entity disclosure statement

The information in this section was prepared as of 24 September 2025 and entities should ensure any developments occurring from this date to the date of authorising of the financial statements are appropriately considered. 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.

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.

Our *Corporate reporting update* series provide insights into the latest changes in reporting requirements and the key challenges for the upcoming reporting season from leading specialists in corporate reporting from our Accounting & Corporate Reporting team. *Corporate reporting updates* can be accessed at www.deloitte.com/au/cfru

A1 Key corporate reporting considerations for 31 December 2025



Climate reporting

Mandatory climate-related reporting commences in Australia for “Group 1” entities from 1 January 2025 for entities with December year ends and 1 July 2025 for entities with June year ends. Entities need to ensure that they have implemented all the requirements and provided information in the sustainability report that is connected to and consistent with the financial report. Read our analysis of the new mandatory requirements in section B.



Transparent reporting in the current economic, global trade and geopolitical environment

Current economic conditions and global trade challenges require a wide-ranging response in financial reporting in areas such as impairment, provisions, expected credit losses, contract modifications and liquidity risk management.

Introduction of new import or export tariffs and uncertainties in respect of proposed tariffs and their impacts on business and operations may affect financial reporting in various ways. Entities should evaluate how these factors affect their financial reports, ensuring they reflect economic realities and associated risks and disclose key judgements and uncertainties.

Section A2 provides more detail on these areas.



ASIC surveillance activities and focus areas

ASIC announced its focus areas for 2025-2026 financial year, which include enduring and specific items. These focus areas are the first to be issued on an annual basis, and as a result they cover December 2025 reporting periods. More information can be found in section A4.2.



Amended standards and requirements

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

- Requirements to apply an estimated spot exchange rate if the currency is not exchangeable and provide additional disclosures that enables users to understand how the currency's **lack of exchangeability** affects the entity's financial position, performance and cash flows.
- Amendments to the consolidated entity disclosure statement requirements clarifying **tax residency disclosures**.

More details can be found in sections A3.2 and A4.3.



Pillar Two

With enactment of Pillar Two legislation in Australia and various stages of enactment around the world, current tax expense disclosure is required, along with additional disclosures to allow users to understand the impact of Pillar Two on the entity. More information can be found in section A3.1.

A2 Ongoing financial reporting considerations

A2.1 Key considerations for financial reporting

Australian businesses are navigating a volatile business environment, characterised by moderating but ongoing inflation, a resilient labour market, and ongoing cost-of-living pressures that are reshaping consumer behaviour. Global uncertainties — ranging from uncertainty around tariffs, geopolitical risks and extreme weather events to cyber threats and supply chain disruptions — may further affect business performance and financial position.

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.

With the introduction of mandatory climate reporting, regulators and stakeholders pay particular attention to climate-related matters and their effect on financial reporting. Achieving connectivity between information in the financial statements and disclosures provided elsewhere in the annual report is important as it helps entities provide a comprehensive view of their financial position and performance.

One of the ASIC's enduring focus areas is disclosure, and entities should expect continued rigorous regulatory scrutiny.

Recent introduction of tariffs by various countries as well as expectations of future tariffs and related uncertainties affect global trade, supply and demand at various markets, supply chains, and investment decisions. Imposition of tariffs may have indirect effects on different macroeconomic indicators, including economic growth, inflation and currency fluctuations. Entities should consider how these changes may affect their operations and financial reporting.

Below is a summary of possible effects of the introduction of new tariffs on financial reporting as well as the key considerations for accounting and financial reporting of broader uncertainties relevant to financial statements prepared as at 31 December 2025.



Accounting implications ¹	Tariffs	Inflation	Foreign currency exchange rates	Prices for goods and products sold	Customers' demand and sales volumes	GDP growth rates	Cost of inventory and other assets
Asset values, including impairment	Impairment indicator Future cash flows	Future cash flows	Future cash flows denominated in a foreign currency	Future cash flows	Future cash flows Remaining useful life	Future cash flows Terminal growth rates	Future cash flows Carrying amount
Provisions	Future cash flows Onerous contracts	Future cash flows	Future cash flows if denominated in a foreign currency	Onerous contracts	Onerous contracts		Future cash flows Onerous contracts
Employee benefits	Performance conditions	Defined benefit pension plans	Performance conditions	Performance conditions	Performance conditions	Performance conditions	Performance conditions
Fair value of financial instruments	Financial assets measured at FV	Equity investments Derivatives	Financial instruments denominated in a foreign currency	Equity investments Commodity-based derivatives	Equity investments	Equity investments	Equity investments
Expected credit losses	If customers are affected by tariffs		Financial assets denominated in a foreign currency	Trade receivables			
Compliance with debt covenants	Earnings-based covenants		Debt to equity, Debt to EBITDA, Interest coverage	Earnings-based covenants	Earnings-based covenants		Earnings-based covenants
Inventory	NRV allowance		NRV allowance	NRV allowance	NRV allowance		NRV allowance
Income taxes	DTA recoverability	DTA recoverability	DTA recoverability	DTA recoverability	DTA recoverability	DTA recoverability	DTA recoverability
Revenue recognition	Percentage of completion of performance obligations satisfied over time Variable consideration Contract modifications	Percentage of completion Variable consideration Contract modifications	Percentage of completion Variable consideration Contract modifications	Variable consideration Contract modifications	Variable consideration Contract modifications		Percentage of completion Variable consideration Contract modifications

¹ In addition to the potential effects illustrated in the table, most of the mentioned factors as well as the increased uncertainty might also affect discount rates used in various measurements, including provisions, impairment assessments, fair valuation, employee benefits and other measurement models which are based on the present value of future cash flows.

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 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.

Key considerations for financial reporting

Climate-related considerations in the financial report



Entities should aim at achieving connectivity when reporting climate-related risk matters and their effects on the entity's financial position and performance across different components of the annual report:

- Consistency of information and assumptions disclosed in the financial statements and other climate-related disclosures, if there are any deviations between assumptions used in the financial statements and information presented elsewhere as part of the annual report a reasonable explanation should be provided
- Avoidance of repetition and cross-referencing – information disclosed about climate-related matters should be specific and useful to understanding particular effects on the financial report (e.g. impairment of non-financial assets, provisions, useful lives of non-current assets, green financing) with links used within and across different components of the financial report and consistent language used throughout the annual report.

Please refer to topics below for more specific climate-related considerations.

Operating and financial review (OFR)



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

- Disclosures 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 risks and opportunities related to climate change, cyber security and artificial intelligence, and greenwashing
- OFR should contribute to connectivity of information by playing an expanded role in situating strategy, risks and opportunities related to climate change within the broader context of the corporate strategy and future prospects

- Non-IFRS measures should not be given undue prominence, be reconciled to IFRS measures and consistently determined from period to period
- Entities should ensure consistency between information disclosed in the OFR and financial statements – if a risk is discussed in the “front” section of the report, users would expect to understand how it affects the financial statements.

Impairment



Economic conditions, changes and uncertainties affecting business, like the introduction of new tariffs, may be pervasive to an entity's impairment testing:

- Entities need to assess how to respond to uncertainties (e.g. adjusting discount rates or undertaking a probability-weighted approach)
- Market capitalisation can be an indicator of impairment but is not a measure of recoverable amount
- Consider impacts of higher costs of production or supply interruptions and changes
- Consider the effects on sale volumes
- 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
- Ensure connectivity of information disclosed in respect of climate-related risks and opportunities in the sustainability report and assumptions applied for impairment models and consider additional disclosures to increase transparency and clarity
- Include meaningful, entity-specific disclosures, focus on key assumptions and sensitivity analyses, and consider scenario analyses.

Provisions



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 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 contracts
- 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
- Provisions related to climate-related commitments and activities are only recognised where the recognition criteria are met.

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
- When revenue contracts allow price adjustments due to changes in tariffs, such changes should be accounted as variable consideration
- Renegotiated customer contracts may trigger contract modification accounting
- Entities should ensure that they use reasonable and supportable forecasts in respect of revenue and costs when assessing the percentage of completion for long-term contracts where revenue is recognised over time
- Where relevant, ensuring connectivity between disaggregated revenue and disclosures in the financial report and climate-related risks and opportunities disclosed in the sustainability report
- The ability of the entity to pass-on increased costs or new tariffs to customers and related uncertainties should be disclosed in the operating and financial review.

Expected credit losses



Expected credit losses on trade and other receivables relies on forward looking information:

- Ensure models, judgements and assumptions reflect current economic data and expectations, and, where relevant, are consistent with information about climate-related risks and opportunities disclosed in the sustainability report
- Disclosures should enable users to understand the effect of credit risk on the amount, timing and uncertainty of future cash flows, including movements in expected credit loss allowance and credit risk exposure.

Inventories



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

- Tariffs, inflation and cost of living increases may lead to products becoming less affordable
- Inventories may include inflationary impacts, recently imposed tariffs and abnormal costs, heightening the possibility of cost exceeding net realisable value
- Introduction of new tariffs and increased cost of goods may change the demand for goods and slow down inventory turnover, which may lead to obsolescence allowances
- Where current period climate-related events have occurred, ensure consistency between the sustainability report and financial statement disclosures.

Fair value measurements



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 has been recent market volatility in publicly traded financial instruments
- ASIC is increasing its focus on the valuation of unlisted investments and entities should ensure they have thorough documentation and support for valuations
- Where climate-related matters materially impact fair value measurements, disclosures should include how the impact has been incorporated and any significant uncertainties
- Introduction of tariffs and related uncertainties may affect the analysis of the principal or most advantageous market for an asset or liability, as well as the fair values of potentially affected assets.

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
- Non-adjusting subsequent events which are expected to materially affect an entity's business need to be disclosed in such a way to provide meaningful insight for the users.

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
- As deteriorating economic conditions or market developments, such as new tariffs, may affect an entity's ability to comply with covenants included in loan arrangements, an entity should consider providing relevant disclosure about such covenants and the impact of potential breaches
- Information about the impacts of climate-related risks and opportunities on liquidity risk management may be necessary in some cases, and should be consistent with information included in the sustainability report whilst avoiding unnecessary duplication.

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, such as green bonds, as well as own use supply contracts versus derivatives, for example in respect of power purchase agreements .

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 negative market or regulatory changes (e.g. introduction of tariffs), 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, but not limited to, the next 12 months from the end of the reporting period.

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
- Directors should consider the impact of uncertainties on their legal obligations when declaring dividends.

Deferred tax assets



Recoverability of deferred tax assets should be reviewed at the end of each reporting period:

- A reduction in current-period income or the incurrence of losses, coupled with a reduction in forecast income (for example, as a result of the introduction of new tariffs), could result in a reassessment of whether it is probable that some or all of an entity's deferred tax assets are recoverable
- If there is a history of recent tax losses, convincing evidence of future taxable profits should be available to recognise a deferred tax asset arising from unused tax losses in excess of a net taxable temporary difference position
- Proper disclosure of entity-specific information about the nature of evidence supporting the recognition of deferred tax assets when there is a recent history of losses, and judgements and estimates used to determine deferred tax, including relevant sensitivities and/or the range of possible outcomes in the next 12 months.

One-off gains and losses



Material one-off gains and losses should be presented or disclosed separately in line with the following principles:

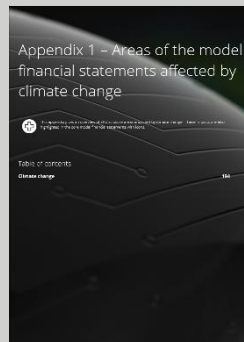
- When determining whether a material item of gains or losses should be presented separately in the statement of profit or loss, consideration should be given to nature and magnitude of the item and rationale for creating additional line item and its usefulness
- Presentation of one-off gains and losses in the statement of profit or loss should be consistent with the nature of the item, which does not depend on whether the item is non-recurring
- Presentation of items as being “extraordinary” is prohibited by AASB 101 *Presentation of Financial Statements*
- Additional narrative disclosure about material one-off gains or losses should clearly explain the nature of the gain or loss so that users can understand its cause and effect on the financial statements and entity.

A2.2 Key publications

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



Clarity publication **ASIC**
releases results of first
integrated surveillance program
and December 2023 focus areas



Appendix 1 to this publication
outlines climate-related
matters to consider in
financial statements



A Closer Look **IAS 36**
Impairment of non-financial
assets - reminders and hot
topics



iGAAP in Focus **Closing Out -**
Areas of focus for financial and
sustainability reporting
(September 2025)



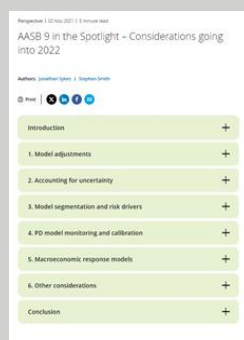
iGAAP in Focus **Reporting in**
uncertain times: Impact of
recent events in the banking
sector



iGAAP in Focus **Financial**
reporting considerations
related to the Russia-Ukraine
War



iGAAP in Focus **IFRS Foundation**
updates educational material
on the requirements of IFRS Standards
relevant for going concern
assessment



AASB 9 in the Spotlight
Considerations going into 2022



Clarity publication - **Not-for-profit**
2023 financial reporting update

A3 Key global financial reporting developments

A3.1 Global agreement on corporate taxation

A3.1.1 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 where profit-before-tax to revenue ratio exceeds 10 per cent. Extractives and regulated financial institutions would not be subject to this pillar and it was originally anticipated the Pillar One reforms would be implemented in 2024 but implementation has been delayed²
- **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 (also called Qualified Domestic Minimum Top-Up Tax, or QDMTT) applying the tax at the country level. There are numerous complexities, exceptions, and transitional provisions and many of the tax calculations rely on accounting information. During 2024, many jurisdictions enacted legislation, with most countries applying the regime to income years commencing on or after 1 January 2024.

A3.1.2 Recent global developments

On 26 June 2025, US Treasury Secretary Scott Bessent [announced](#) that a “joint understanding” had been reached among G7 countries in relation to the interaction of Pillar Two and the US tax system.

Subsequently, on 27 June 2025, the government of Canada (which currently holds the G7 presidency) released a [G7 statement](#) describing the framework for the “shared understanding”. The framework is designed to preserve protections against base erosion and profit shifting and provide greater certainty and stability to the international tax system.

The G7 statement announced a “side-by-side” system would exist that would exclude US parented groups from the Pillar Two income inclusion rule (IIR) and undertaxed profits rule (UTPR) on both US and non-US profits in recognition of the existing US minimum tax rules to which they are subject.

The proposed side-by-side solution will be considered by the OECD BEPS jurisdictions with a view to enabling widespread implementation by jurisdictions that have implemented Pillar Two.

A3.1.3 Which Australian entities are affected?

Pillar Two legislation applies 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.

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

² On 13 January 2025, the OECD [announced](#) the release of a [statement](#) from the co-chairs of the [OECD/G20 Inclusive Framework on BEPS](#) providing an update on the progress made in developing a final package relating to Pillar One of the two-pillar solution to address

the tax challenges arising from the digitalization of the economy, as negotiations continue. Pillar One taxes are not considered further in this publication.

A3.1.4 Australian implementation

The primary legislation implementing the Pillar Two regime and comprising of three Bills³ received Royal Assent on 10 December 2024. The subordinate legislation ([the Rules](#)), that contains the substantive computational rules to work our Pillar Two liabilities, was registered by the Treasurer on 23 December 2024. After both primary and subordinate legislation were finalised, Pillar Two legislation became substantively enacted in Australia from 23 December 2024.

The Australian rules commenced for income years starting on or after 1 January 2024 for the income inclusion rule (IIR) and domestic minimum tax (QDMTT), while the undertaxed profits rule (UTPR) commenced for income years starting on or after 1 January 2025.

At the date of finalisation of this publication (24 September 2025), there have been no developments in relation to implementing the “side-by-side” system mentioned in the G7 statement (discussed above) in the Australian context. Accordingly, entities should recognise and measure current taxes arising under Pillar Two using the enacted legislation.

A3.1.5 Accounting considerations

The Pillar Two reforms act to effectively introduce an additional income tax for impacted entities, at least at the consolidated level. Given the complexities of the Pillar Two rules, determining deferred taxes 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, addressing these accounting implications. The amendments prohibit the recognition or disclosure of information about deferred taxes related to Pillar Two income taxes⁴.

Entities must disclose that they have applied the exception, including at 31 December 2025 (where material). The impact of Pillar Two on the current tax expense or income should be disclosed for jurisdictions, like Australia, where legislation is effective in the current financial year.

A3.1.6 Financial statement impacts

As Pillar Two legislation passed in Australia before 31 December 2025, the impact of Pillar Two on the current tax expense or income should be disclosed in respect of Income Inclusion Rate (IIR) and Domestic Minimum Tax (DMT) as these components are effective for income years beginning on or after 1 January 2024. In addition, entities are required to recognise any current tax expense or income arising under the Undertaxed Profits Rule (UTPR) that is effective in Australia from income years beginning on or after 1 January 2025.

More information



[Clarity publication](#) **Responding to Pillar Two**



[Tax Insights](#) **ATO releases first Pillar Two guidance – take ‘reasonable measures’ to comply**



[Tax Insights](#) **Australia enacts Pillar Two legislation – 7 January 2025**



[iGAAP in Focus](#) **IASB amends IAS 12 to introduce a temporary exception from accounting for deferred taxes arising from OECD Pillar Two model rules**

³ The Bills are [Taxation \(Multinational—Global and Domestic Minimum Tax\) Act 2024](#), [Taxation \(Multinational—Global and Domestic Minimum Tax\) Imposition Act 2024](#) and [Treasury Laws Amendment \(Multinational—Global and Domestic Minimum Tax\) \(Consequential\) Act 2024](#).

⁴ [AASB 2023-4 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules: Tier 2 Disclosures](#) implements similar requirements for Tier 2 financial reports.

A3.2 Lack of exchangeability

In October 2023 the AASB issued AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*. The amendments changed accounting requirements of AASB 121 *The Effects of Changes in Foreign Exchange Rates* and added new disclosures relating to non-exchangeable currencies affecting an entity's financial statements.

The amendments added guidance on how to assess whether a currency is exchangeable. In accordance with the amendments a currency is exchangeable if an entity is able to exchange that currency for the other currency - either directly or indirectly - through a market or exchange mechanism that creates enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. A currency is not exchangeable if an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose.

If the currency is not exchangeable, 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. The amendments do not specify how an entity estimates the spot exchange rate. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include a spot exchange rate for another purpose, or the first subsequent exchange rate after exchangeability of the currency is restored. An entity using another estimation technique may use any observable exchange rate – including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations – and adjust that rate, as necessary.

An entity is required to disclose information that enables users of its financial statements to understand how the currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows, including:

- The currency and a description of the restrictions that result in its lack of exchangeability
- A description of affected transactions and the carrying amount of affected assets and liabilities
- The spot exchange rate(s) used
- A description of estimation technique the entity used, if any, and qualitative and quantitative information about inputs and assumptions used in that estimation technique
- Qualitative information about each type of risk to which the entity is exposed because of the lack of exchangeability of the currency, and the nature and carrying amount of assets and liabilities exposed to each type of risk.

When a foreign operation's functional currency is not exchangeable into the presentation currency (or vice versa, if applicable), an entity is also required to disclose:

- The name of the foreign operation, whether the foreign operation is a subsidiary, joint operation, joint venture, associate or branch; and its principal place of business
- Summarised financial information about that foreign operation
- The nature and terms of any contractual arrangements that could require the entity to provide financial support to the foreign operation, including events or circumstances that could expose the entity to a loss.

The amendments are effective for annual periods beginning on or after 1 January 2025. In applying the amendments an entity is not permitted to restate comparative information. Instead, if the entity reports foreign currency transactions or translates a foreign operation, and at the beginning of the annual reporting period in which the entity first applies the amendments it concludes that a foreign currency or its functional currency is not exchangeable, it is required to apply the estimated spot exchange rate at that date and recognise the effect as an adjustment to the opening balance of retained earnings or to the cumulative amount of translation differences accumulated in a separate component of equity.

For an illustrative disclosure see Appendix 4: Note 2.1 *New and amended Australian Accounting Standards that are effective for the current year*.

More information



iGAAP in Focus Financial reporting: IASB amends IAS 21 to clarify when a currency is exchangeable and how to determine the exchange rate when it is not

A3.3 Recent IFRIC agenda decisions

IFRIC has released several agenda decisions, including those outlined below. Entities should assess the impact of these decisions on their accounting policies and determine if changes are necessary (noting entities are entitled to “sufficient time” to do so):

- Disclosure of revenues and expenses for reportable segments (IFRS 8 *Operating Segments*) (July 2024):** The [agenda decision](#) requires the disclosure of the amounts listed in IFRS 8:23 (e.g. revenue, interest revenue and expense, depreciation and amortisation) for each reportable segment when those amounts are included in segment profit or loss reviewed by the chief operating decision maker (CODM) – even if not separately provided or reviewed by the CODM – or if those amounts are regularly provided to the CODM – even if not included in segment profit or loss. In addition, it was observed that IFRS 8:23(f) does not require disclosure by reportable segment of each material item of income or expense that is presented separately in the statement of profit or loss or disclosed in the notes in accordance with IAS 1:97. In determining information to be disclosed for each reportable segment, an entity applies judgement and considers the core principle of IFRS 8, which requires an entity to disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. For an illustrative disclosure see Note 6 (pages 65-67) of the core model financial statements
- Climate-related commitments (IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*) (April 2024):** The [agenda decision](#) refers to a fact pattern when an entity, a manufacturer of household products, has publicly stated a net-zero transition commitment by publishing a detailed plan for modification of manufacturing methods in order to reduce its annual greenhouse gas emissions by at least 60% of their current level in the ninth year and to buy carbon credits to offset the remaining emissions after those nine years. The Committee concluded that whether the entity's statement of its commitments to reduce and offset its greenhouse gas emissions creates a constructive obligation to fulfil those commitments will depend on the facts of the statement and the circumstances surrounding it. Management would apply judgement to reach a conclusion at each reporting date about whether a valid expectation that the entity will fulfil the commitment is created. If management concludes that its statement creates a constructive obligation:

Period	Should a provision be recognised?
Day 1 – Commitments announcement	No provision is recognised The constructive obligation is not a present obligation as a result of a past event, as the obligation for future costs does not exist independently of the entity's future actions to which it committed
During the next nine years	No provision is recognised The entity does not have a present obligation arising from a past event until it has emitted the greenhouse gases it has committed to offset in year nine and in subsequent years to which it has committed to offset
In year nine and in subsequent years	Provision is recognised if all criteria are met The entity will incur a present obligation to offset the greenhouse gases, only if and when it emits greenhouse gases in year nine and in subsequent years. Consequently, if the entity has not yet settled that obligation and a reliable estimate can be made of the amount of the obligation, the entity recognises a provision.

The Committee additionally observed that if a provision is recognised, the corresponding amount is recognised as an expense, rather than as an asset, unless it gives rise to, or forms part of the cost of an item that qualifies for recognition as an asset. Irrespective of whether an entity's commitment to reduce or offset its greenhouse gas emissions results in the recognition of a provision, the actions the entity plans to take to fulfil that commitment could affect the amounts at which it measures its other assets and liabilities and the information it discloses about them, as required by various IFRS® Accounting Standards

- **Guarantees issued on obligations of other entities (April 2025):** The [agenda decision](#) addresses a request about how an entity should account for guarantees that it issues. It considers several fact patterns involving the issue of contractual guarantees on obligations of a joint venture, including guarantees to make payments to a bank, a customer, or another third party in the event the joint venture fails to meet its contractual obligations under its service contracts or partnership agreements and fails to make payments when due. The Committee observed that IFRS Accounting Standards do not define “guarantees” and no single accounting standard applies to all guarantees. The Committee further observed that an entity should apply the following steps to determine the appropriate standard:

A list of all recent IFRIC agenda decisions can be found in section C2.5.

Financial guarantee – IFRS 9

1

- Consider whether an issued guarantee is a financial guarantee contract as defined in IFRS 9 *Financial Instruments*
 - The Committee noted that entities should apply judgement in interpreting the meaning of the term “debt instrument” in the definition of a financial guarantee contract as this term is not defined
-

Insurance contract – IFRS 17

2

If an entity concludes it is not a financial guarantee, the entity considers whether the guarantee is an insurance contract as defined in IFRS 17 *Insurance Contracts*

Other standards

3

If an entity concludes it is neither of the above, it considers requirements of other standards, including:

- IFRS 9 for a loan commitment or a derivative
 - IFRS 15 *Revenue from Contracts with Customers* for a guarantee to a customer
 - IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* if the guarantee gives rise to a provision, contingent liability, or contingent asset.
-

A4 Australian specific considerations

A4.1 Accounting and reporting implications of recent Australian government initiatives

A4.1.1 Overview

This section summarises the following recent Australian government initiatives, which have potential accounting or reporting implications:

Initiative	Applicable to
Changes to thin capitalisation rules	General class entities excluding financial entities and authorised deposit-taking institutions (ADIs)
Petroleum Resource Rent Tax (PRRT) reforms	Entities involved in liquefied natural gas (LNG) projects
Payment Times Reporting Scheme reform	Large businesses
Country-by-country reporting of tax information	Australian parents of multinational groups with annual global income exceeding A\$1 billion
Other developments	Various entities
Unlegislated announcements	Various entities



A4.1.2 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 2024](#). The amendments, among other things, amended Australia's thin capitalisation regime for most general class entities⁵ with new interest limitation rules applied retrospectively for income years beginning on or after 1 July 2023 and debt creation rules applying for income years beginning on or after 1 July 2024.

New interest limitation rules

New interest limitation rules, effective from 1 July 2023, marked a significant shift from the prior asset-based thin capitalisation model to an earnings-based framework. These changes were designed to limit interest deductions to better reflect an entity's economic capacity to service debt, aligning with OECD recommendations.

Under the new regime, debt deductions are limited by one of the three following tests:

⁵ 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.

Test	When to use
Fixed Ratio Test (FRT) Limits net debt deductions to 30% of Tax EBITDA (Tax Earnings Before Interest, Tax, Depreciation, and Amortisation) calculated in accordance with new rules in the tax law	Default test; automatically applies unless a taxpayer elects GRT or TPDT
Group Ratio Test (GRT) Allows entity's net debt deductions to exceed 30% of its Tax EBITDA if the global group's third-party interest ratio is higher. Calculation is based on the ultimate parent's audited consolidated financial statements but with some complex adjustments	For multinational entities with higher global debt levels
Third Party Debt Test (TPDT) Allows full deductions for debt that meets strict third-party debt conditions. TPDT should be applied as an "all-in" test (meaning that all associate entities in the same obligor group and entities that are parties to a cross staple arrangement should apply TPDT test)	Useful when an entity's debt is strictly third-party

Taxpayers must notify the ATO annually if they elect to use the GRT or TPDT instead of the FRT. Where an entity has applied the FRT it would be permitted to carry forward the excess amount of deductions, referred to as "FRT disallowed deductions" for up to 15 years. However, the carry forward FRT disallowed deductions expire immediately if an entity elects to use the GRT or TPDT and are not reinstated in case the entity reverts back to FRT later.

Any disallowed deductions when applying the GRT or TPDT are not able to be carried forward.

Debt deduction creation rules

From 1 July 2024, additional rules apply to prevent interest deductions on related-party financing arrangements that do not reflect genuine commercial outcomes.

Deductions may be denied where:

- Debt is used to fund the acquisition of a capital gains tax (CGT) asset or a legal or equitable obligation from related parties, or
- Debt is used to fund distributions (e.g. dividends, royalties, returns of capital) to related parties.

There are also integrity measures to ensure that debt deductions are not recharacterised or routed through seemingly unrelated entities to bypass these restrictions. For example, transactions involving multiple steps or intermediaries may still fall within the rules if the economic substance reflects one of the targeted arrangements.

A key feature of the rules is that they apply regardless of when the arrangement was entered into, meaning even pre-existing arrangements are subject to scrutiny from the 2024–25 income year onward.

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.

Application of debt deduction creation rules may result in increased permanent differences and higher effective tax rate.

More information



Tax@hand *New interest limitation rules finally enacted*



Tax@hand *ATO finalises guidance on new thin capitalization and debt creation rules*

A4.1.3 Petroleum Resource Rent Tax (PRRT) reforms



On 16 May 2024 the Parliament passed the [Treasury Laws Amendment \(Tax Accountability and Fairness\) Act 2024](#). The Bill subsequently received Royal Assent on 31 May 2024 and became law.

The Act introduced the Petroleum Resource Rent Tax (PRRT) reforms which limits deductible expenditure available to offset assessable receipts to the value of 90% of PRRT assessable receipts in respect of each liquefied natural gas (LNG) project. To minimise the impacts of upfront payments on project economics, projects are not subject to the cap until seven years after the year of first production or 1 July 2023, whichever is later. The cap does not apply to certain classes of deductible expenditure in the PRRT: starting base expenditure and resource tax expenditure.

This change brings forward PRRT revenue from LNG projects. Unused denied deductions can be carried forward indefinitely and uplifted at the Government long term bond rate (LTBR). This option would only apply to projects that produce LNG.

On 4 July 2024 the Parliament passed [Treasury Laws Amendment \(Delivering Better Financial Outcomes and Other Measures\) Act 2024](#). The Royal Assent was received on 9 July 2024. The Act aligned the PRRT anti-avoidance rules with the general income tax anti-avoidance provisions.

The above new measures apply for income years commencing on or after 1 July 2023. However, the PRRT instalment regime, as it relates to the deductions cap, will apply in relation to a year of tax beginning on or after 1 July 2024.

Additionally, on 6 August 2024 the [PRRT Assessment Regulations 2024](#) were registered. These regulations respond to recommendations from the Treasury Gas Transfer Pricing review. They include changes to better accommodate commercial tolling arrangements and enhance the integrity rules which will affect the calculation of the tax. The updated regulations apply to tax years beginning on or after 1 July 2024.

These reforms may impact deferred tax accounting for PRRT and give rise to impairment considerations in some cases.

A4.1.4 Payment Times Reporting Scheme reform

Recent changes to the Payment Times Reporting Scheme aim to improve payment times for Australian small businesses and require large businesses and some governmental enterprises (reporting entities) in Australia to report on their payment terms and practices. The Australian Parliament passed the [Payment Times Reporting Amendment Act 2024](#) (the Amendment Act) on 3 July 2024. It received Royal Assent on 9 July 2024.

In September 2024 the amended [Payment Times Reporting Rules 2024](#) were released which contain technical matters such as reporting content and calculation methodologies required for payment times reporting. The main changes introduced by the reform are:

Changes	Comments
New “reporting entity” definition	Assessment is now based on the annual consolidated revenue of \$100 million or more determined in accordance with the Australian Accounting Standards, rather than taxable income
Consolidation and flexibility	- A single consolidated report is to be provided by the ultimate controlling entity of the group - Controlled entities with distinct governance structures may choose to report separately as a subsidiary reporting entity - Reporting entities will also be able to nominate a common parent or controlling entities of multiple reporting entities to report on their behalf
Relief applications and streamlined exit from the Scheme	- Entities can apply to be exempt from reporting obligations for specified periods in certain circumstances; or for time extensions - Amendment allows reporting entities to exit from the Scheme by giving a notice when they no longer meet the criteria to be a reporting entity, rather than by submitting an application to the regulator
Self-publishing of reports	Control over the timing of publication enables reporting entities to coordinate payment times reporting with other reporting obligations and publications such as annual reports and financial statements

Changes	Comments
Incentives for improvement and increased transparency	- Recognition for positive payment practices by publishing “fast small business payers” - Increased spotlight on entities with poor behaviour through identifying and potentially requiring enhanced disclosure by “slow small business payers”.

The new scheme came into force on 1 January 2025. All reports submitted post this date must adhere to the new requirements.

In December 2024 the regulator [published PTR Guidance materials](#) which include important practical insights and examples of application of the revised requirements.

A4.1.5 Country-by-country reporting of tax information

On 29 November 2024 the Parliament passed the [Treasury Laws Amendment \(Responsible Buy Now Pay Later and Other Measures\) Act 2024](#). The Bill received Royal Assent on 10 December 2024. Schedule 4 of the Act contains measures in respect of public country-by-country reporting (CbC reporting) of certain tax information.

New requirements apply to parents of the multinational groups with annual global income of A\$1 billion or more, of which at least A\$10 million is Australian-sourced. Such parents should be either an Australian resident or a foreign resident with an Australian permanent establishment.

The Act requires the entities in scope to release publicly certain tax and other information on a jurisdiction-by-jurisdiction basis together with a statement on their approach to taxation for reporting periods starting on or after 1 July 2024.

Country-by-country disclosures are required for Australia and a [list of specified jurisdictions](#) released by the government on 18 December 2024, which currently includes 40 jurisdictions.

For all other countries disclosure of information is permitted on either on an individual or aggregated basis.

Information required to be disclosed include names of each entity of the CbC reporting group, a description of the group’s approach to tax and specific jurisdictional information, including number of full-time employees and book value of tangible assets at the end of the reporting period, revenue and profit or loss before income tax as well as income tax accrued and paid, which is based on information included in the ultimate parent’s audited consolidated financial statements.

The entity publishes the information by giving the information to the Commissioner of Taxation in the approved form within 12 months after the end of the reporting period. The Commissioner is then responsible for making the information available on an Australian government website.

It is important to note that these reporting rules are different and in addition to any other existing CbC reporting measures and separate to the requirements in respect of the consolidated entity disclosure statement under the Corporations Act (see section A4.3). The affected entities should ensure systems are in place to prepare the required information. It is also important to make sure the information reported within the financial report is consistent with CbC reporting, where possible.

More information



Tax Insights Australian Government passes public country-by-country reporting measures

A4.1.6 Other developments

A number of proposals announced in previous Federal Budgets became law recently.

Measure	Reporting implications
“Future Made in Australia” incentives On 11 February 2025 the Parliament passed Future Made in Australia (Production Tax Credits and Other Measures) Act 2025. The Bill received a Royal Assent on 14 February 2025. As part of the Act two incentives were introduced: • Critical minerals production tax incentive (CMPTI) – the temporary incentive will provide eligible recipients with an uncapped refundable tax offset of 10% for the eligible costs of processing and refining of 31 specified critical minerals. The incentive will be available for a maximum period of 10 years between 1 July 2027 and 30 June 2040. • Hydrogen production tax incentive (HPTI) – a temporary refundable incentive of \$2 per kilogram of renewable hydrogen produced by eligible companies for a maximum of 10 years between 1 July 2027 and 20 June 2040 for projects that reach final investment decision by 2030.	The incentives meet the definition of a government grant, therefore the amounts will be recognised as a gain in profit or loss before income tax. The incentives may affect future cash flows forecasts for the purpose of impairment testing.
Immediate instant asset write-off Small businesses with aggregated annual turnover of less than \$10 million will continue to be able to immediately deduct the full cost of eligible assets costing less than \$20,000 where they are installed or ready for use by 30 June 2025. The measure was introduced as part of Treasury Laws Amendment (Tax Incentives and Integrity) Act 2025 which received Royal Assent on 27 March 2025 and is effective from 1 April 2025. On 4 September 2025, the Federal Government introduced Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025 into Parliament. This Bill contains a measure to extend the \$20,000 instant asset write-off to eligible assets installed or ready for use by 30 June 2026.	Deductions will result in the recognition of a deferred tax liability in relation to any capitalised asset
Build to rent incentive These measures increase the tax deduction (depreciation) rate for newly constructed build-to-rent residential projects which meet certain eligibility criteria from 2.5% p.a. to 4% p.a. The measure was introduced as part of Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Act 2024 which received Royal Assent on 10 December 2024 and is effective from 1 January 2025.	May result in additional deferred tax liabilities as assets are depreciated
Denying deductions for interest charges Deductions for Australian Taxation Office (ATO) interest charges, specifically the general interest charge (GIC) and shortfall interest charge (SIC), incurred in income years starting on or after 1 July 2025 will not be allowed. GIC and SIC are incurred where tax debts have not been paid on time, or a tax liability has been incorrectly self-assessed and resulted in a shortfall of tax paid, respectively. The measure was introduced as part of Treasury Laws Amendment (Tax Incentives and Integrity) Act 2025 which received Royal Assent on 27 March 2025 and is effective from 1 April 2025.	May result in additional permanent tax difference and higher effective tax rate

A4.1.7 Unlegislated announcements

There are many announced but [unlegislated measures](#) that may impact accounting and forecasts.

One of the earlier proposals which is still unlegislated is the [Payday Super program](#) with a proposal to require mandatory superannuation contributions to be paid at the same time as related salary and wages (rather than quarterly) from 1 July 2026. If legislated this measure may impact the timing of future cash flows forecasts in recoverable amount models, as well as liquidity risk management disclosures.

Other considerations

Recent government policy initiatives 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** – Any current and deferred tax implications of the legislative changes must be recognised at the date of substantive enactment of the respective enabling legislation. Where the legislation is substantively enacted after the reporting date but prior to signing of the financial statements, subsequent events disclosure may be required if the anticipated effect is material
- **Cash flow forecasts** – Government information and announcements may impact future cash flows used in recoverable amount models when testing impairment under AASB 136 *Impairment of Assets* even before substantive enactment of a change if such a change is expected and represents management's best estimate
- **Expected credit losses (ECLs)** – The known macro-economic impacts of the latest budgetary information (and any subsequent Mid Year Economic and Fiscal Outlook) should be considered in ECLs models in respect of loans and other receivables
- **Employee implications** – The changes to superannuation arrangements should be reflected in the measurement of employee liabilities and cash flow forecasts where relevant.

A4.2 ASIC focus areas and findings

A4.2.1 ASIC focus areas for financial reporting

In May 2025, ASIC [announced](#) its focus areas for the 2025-2026 financial year. These focus areas are the first to be issued on an annual basis and cover both the June 2025 and December 2025 reporting periods.

ASIC previously announced a modified approach to its focus areas for financial reporting. In relation to focus areas, ASIC moved away from publishing new financial reporting focus areas each six months, instead publishing enduring focus areas for financial report reviews and supplementing those with focus areas for the relevant period where new regulatory requirements or emerging issues arise. For 2025-2026 financial year ASIC added revenue recognition to its enduring focus areas. This is consistent with findings from 2023-2024 financial reporting and audit surveillance reported by ASIC's in [Report REP 799](#).

The enduring focus areas [identified by ASIC](#) comprise:



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 recoverability of deferred tax assets, valuation of investments in unlisted entities and the net realisable value of inventories)



Revenue recognition

Recognition of revenue and deferred income in accordance with the substance of the underlying transactions and the satisfaction of performance obligations; using appropriate and reasonable judgements and assumptions; specific and appropriate disclosure of revenue policies for each material revenue stream



Provisions

Adequacy of provisions for matters such as onerous contracts, make good provisions under leases, mine site restoration, financial guarantees given 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. Disclosures should be specific to the entity's business, assets, financial position and performance and reflect changes from the previous period.

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 and management strategies, including 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](#))

The need for judgement and disclosure is a central theme in ASIC's enduring focus areas and surveillance.

Specific focus areas

In addition to the enduring focus areas, ASIC calls out the following specific focus areas for 2025-26 financial year:

- **Registrable superannuation entities (RSEs)** – ASIC notes two areas arising from its surveillance activities over June 2024 reports of RSEs: (1) measurement and disclosure of investment portfolios and (2) disclosure of marketing and advertising expenses. RSEs and their auditors should respond to these areas in the current reporting period. ASIC also noted it has reviewed approximately half of all lodged RSE financial reports in the first year of reporting under the Corporations Act and expects to review the other half as part of its 2025-26 surveillance program
- **Previously grandfathered large proprietary companies** – ASIC will continue to work with these entities to ensure financial reports are lodged, and notes auditors should inform ASIC where they are aware of non-compliance with lodgement of financial reports. In August 2025, subsequent to announcement of the focus areas, an ASIC [media release](#) noted a high-level of non-lodgement of financial reports by previously grandfathered companies and announcing a broader surveillance focused on non-lodgement of financial reports by large proprietary companies, which it expects to complete in the first quarter of 2026
- **Sustainability reporting** – ASIC confirms that it will review December 2025 sustainability reports as part of its 2025-26 program within its “proportionate and pragmatic approach” to supervision and enforcement. The findings from earlier review of voluntary sustainability and climate change reporting of listed companies will inform ASIC’s ongoing work on mandatory sustainability reporting in Australia.

A4.2.2 ASIC’s modified regulatory approach and financial report reviews

In late August 2025 ASIC [released](#) its *Corporate Plan 2025-26*, which outlines ASIC’s strategic priorities for the four-year period 2025-2029 and its plan of action for the 2025-2026 financial year.

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

- **Climate change risk** – ASIC will proactively review sustainability reports taking “a pragmatic and proportionate approach” to supervision and enforcement of the sustainability reporting obligations. It will also provide support through guidance, capacity building, relief and engagement. In addition, ASIC will undertake ongoing surveillance activity and take enforcement action, where necessary, to prevent harm from greenwashing, and review complaints handling by insurers following severe weather events. See our [Clarity publication](#) *A new era of sustainability reporting* and section B.
- **Financial reporting and audit monitoring** – ASIC will carry out surveillance of financial reports and audits of listed entities, unlisted entities that are of public interest, previously grandfathered large proprietary companies and registrable superannuation entities. ASIC will also review auditors’ compliance with ethical and independence standards.
- **Non-lodgement of financial reports** – ASIC intends to take action, including enforcement action, against entities, including large proprietary companies, who do not comply with obligations to lodge financial reports. For assistance with understanding reporting obligations, see our [Australian financial reporting guide](#).

ASIC media releases on financial reporting issues

Below is a summary of media releases issued by ASIC in recent years that are relevant for reporting at 31 December 2025.

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 the 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 treated and classified.

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 are 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 concerns that an entity did not consider all the information that was available at the reporting date for the purpose of the valuation of assets held for sale and assessment of the timing of recognition of a provision in relation to settlement of the regulatory investigation. As a result, the entity restated its June 2023 annual report and December 2022 half year report to base the fair value less cost of disposal of the assets held for sale on the sale proceeds less estimated costs to sell. In addition, the restatement resulted in earlier recognition of a redress provision.

ASIC reminds preparers of financial reports that consideration should be given to the adequacy of provisions for liabilities and the valuation of assets. Entities should ensure they make accounting estimates using all information that is available at the end of the reporting period. This is consistent with the ASIC's enduring focus areas.

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.

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.

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 judgements made in determining whether the entity is a principal or as an agent for each good or service (performance obligation) promised to a customer.

Consolidation of subsidiary

An entity restated 2022 comparatives in its financial report for the year ended 31 December 2023 as a concern was raised by ASIC that the entity failed to consolidate its 100%-owned subsidiary in its 2022 financial report.

Entities should apply AASB 10 *Consolidated Financial Statements* to assess control of related entities and consider the consolidation requirements.

A4.2.3 ASIC findings from 2023-2024 financial reporting and audit surveillance

On 30 October 2024, ASIC [released a report](#) outlining the outcomes of its financial reporting and audit surveillance for the year ending 30 June 2024.

At the date of finalisation of this publication (24 September 2025), ASIC had not released a surveillance report from its financial reporting and audit surveillance or the 2024-2025 period. ASIC's [regulatory developments timetable](#) indicates a report will be released in the fourth quarter of 2025.

What is the background to the report?

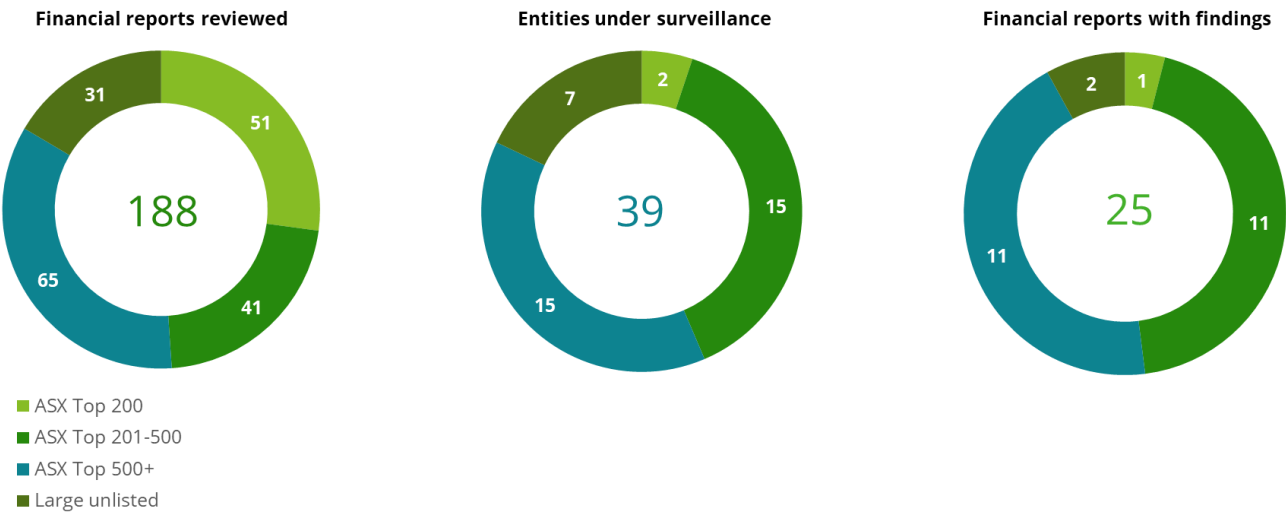
The report, *ASIC's oversight of financial reporting and audit 2023-2024*, summarises findings from financial reporting and audit surveillances and other complementary work for the period 1 July 2023 to 30 June 2024. It highlights areas where the quality of financial reporting and audits can be improved.

ASIC follows a data-led risk-based approach that integrates financial reporting and audit surveillance.

ASIC uses a range of data sources to make a selection of financial reports, including reported financial information, market data, ASX announcements, ASIC intelligence, section 311 notices lodged by auditors, external party misconduct reports and specific industry considerations. The selected financial report is first subject to a desk review, and if any concerns are identified, the reporting entity is contacted, and a financial reporting surveillance commences. In addition, ASIC selects audit files for surveillance where a financial report has been subject to a review, and there are concerns that a financial report may have a risk of material misstatement.

What were the outcomes?

The report notes that ASIC reviewed 188 financial reports – 157 listed entities and 31 large unlisted entities considered to be of public interest – covering years ended from 31 March 2023 to 31 December 2023. Of the 188 financial reports reviewed ASIC commenced surveillances on 39 entities covering 61 issues. 25 entities made adjustments to previously released financial information.



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

Topic area	Issues raised	Findings	Open surveillances	Comments
Operating and financial review	20	16	2	Many entities need to significantly improve the information reported in the OFR for the benefit of investors and other users, particularly in respect of material business risks that may affect the achievement of outcomes described. Additional deficiency identified is information that is dispersed throughout companies reports and different announcements.
Impairment and asset values	14	3	4	Preparers of financial reports should appropriately classify assets between current and non-current, have appropriate asset valuations, and make impairment adjustments on a timely and appropriate basis.
Non-IFRS profit information	5	5	-	Issues raised included improving non-IFRS profit disclosures, including providing proper reconciliation of non-IFRS measures and the appropriateness of non-IFRS profit measures.
Financial report disclosures	5	1	2	Issues raised included disclosures on comparative information, going concern, operating segments and laws and regulations disclosures.
Revenue recognition	4	1	-	ASIC's focus included the recognition of revenue, including the disclosure of accounting policies. The finding relates to agent versus principal considerations.
Share-based payments	3	1	-	Issues raised on accounting and disclosures, the finding relates to classification of vesting expenses as options versus restricted shares.
Group accounting	3	-	1	Issues raised on consolidation accounting, accounting for movements in subsidiary values and not lodging consolidated accounts.
Tax accounting	2	-	1	Issues raised included items on the tax reconciliation and variations between the tax expense and tax payments.
Lease accounting	2	-	2	Issues raised included lease accounting in a franchise operation and the application of AASB Interpretation 12 <i>Service concession arrangements</i> .
Other	3	-	1	
	61	27	13	

Source: ASIC report, Deloitte analysis.

The report also 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	30	6	2	Impairment (due to commodity price volatility) and sustainability and climate risk disclosures
Software and services	21	6	3	Impairment, revenue recognition, capitalisation of development costs, accounting policy disclosure
Capital goods	19	4	1	Revenue recognition (due to complex contractual arrangements) and accounting policy disclosure
Consumer services	18	4	2	Asset valuations (both real and financial, incl. receivables), macroeconomic impacts (post-COVID cost pressures, rising interest rates and changes in spending habits due to inflation)
Commercial and professional services	18	4	2	
Food, beverage and tobacco	17	5	1	
Financial services	14	3	1	Revenue, expected credit losses, financial asset values
Health care equipment and services	13	4	1	Capitalisation of development costs, impairment, going concern (where entities have not yet reached commercial viability)
Pharmaceuticals, biotechnology and life sciences	13	4	2	
Transportation	13	4	1	Impairment of non-current assets and lease accounting
	176	44	16	
<i>Proportion of total</i>	<i>94%</i>	<i>72%</i>	<i>59%</i>	

Source: ASIC report, Deloitte analysis.

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) reflect the entity's individual circumstances
- Management produces 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 are in place
- Effective and clear communication with the auditor
- A robust auditor selection process is in place.

In terms of audit surveillance, ASIC's 15 surveillances led to findings being reported to 12 entities and nine audit firms. Three audit surveillances were closed with no findings.

The findings covered revenue and receivables (including ECL), impairment of non-financial assets and asset values, investments and financial instruments, loans and borrowings, inventory and cost of sales, acquisition accounting and provisions.

Other audit findings included independence issues due to long association with an unlisted client, late finalisation and archiving of the audit file, and insufficient documentation of journal entry testing.

ASIC's expectations for OFRs

The report also notes ASIC's continued focus on disclosures in the OFR. Consistently with the results of the previous report on surveillance, the most number of findings were raised in respect of the OFRs.

ASIC reminds that the purpose of the OFR is to provide information that shareholders would reasonably require to make an informed assessment of the entity's business strategies, prospects and performance.

The report includes a number of factors that should be considered to improve OFR disclosures and comply with legal requirements. We combined these factors with the notes in respect of OFR disclosures from the previous ASIC's reports:

- **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.
- **Balanced and structured disclosures** – entities should provide well-developed and structured report on material business risks and explain how these risks affect achieving business plans
- **Avoiding dispersed disclosures** – when pieces of information are dispersed throughout the financial report and/or other public announcements this may significantly decrease the transparency of the reported information.

The financial report, OFR and broader financial report must be consistent with other information released by the entity and be consistent with peer companies.

Future surveillance

ASIC confirmed its intention to expand the surveillance program going forward to include:

- More large proprietary companies that were previously grandfathered (including audit)
- Registrable superannuation entities (including audit)
- Climate-related risks
- Consolidated entity disclosure statements
- Auditor compliance with independence and conflicts of interest requirements.

These areas are consistent with the ASIC's specific focus areas announced for 2025-2026 financial year.

More information



[ASIC media release](#) **ASIC announces financial reporting and audit focus areas for FY 2025-26**



[ASIC web page](#) **ASIC financial reporting and audit focus areas**



[Clarity publication](#) **ASIC releases results of its first integrated surveillance program and December 2023 focus areas**



[ASIC Media Release 24-240MR](#) **ASIC releases FY 2023-24 financial reporting and audit report and launches auditor independence surveillance**



[ASIC Report REP 799](#) **ASIC's oversight of financial reporting and audit 2023-24**

A4.3 Consolidated entity disclosure statement

Under [amendments](#) made to the Corporations Act in March 2024 public companies are required to include a "consolidated entity disclosure statement" (CEDS) in their financial reports from 30 June 2024. On 10 December 2024 the requirements in respect of CEDS were [amended](#) to clarify the tax residency disclosures to be included in the CEDS. The changes to the legislation are effective for annual periods beginning on or after 1 July 2024 (and so first applied to 30 June 2025 financial reports).

As a result of the recent amendments, a CEDS should contain the following information 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 (within the meaning of the *Income Tax Assessment Act 1997* or as prescribed for partnerships and trusts)
- A list of each foreign jurisdiction in which the entity was a resident for the purposes of the law of the foreign jurisdiction.

In addition, the legislation and accompanying explanatory memorandum to the December 2024 amendments provide the following guidance:

- An entity included in the CEDS that is not an Australian tax resident and which is established and operates in a foreign jurisdiction lacking a corporate tax system (e.g. the Cayman Islands) should not list the foreign jurisdiction in the CEDS
- An entity that is an Australian tax resident under Australian tax law and foreign resident under the law of one or more foreign jurisdictions would include details of both the Australian and all foreign jurisdictions in the CEDS
- A partnership included in the CEDS would be listed as having Australian tax residency if at least one member of the partnership is an Australian resident
- A trust included in the CEDS would be considered an Australian resident where the trust is a "resident trust estate" for the purposes of Australian tax law.

More information about the recent amendments can be found in *Changes to the consolidated entity disclosure statement* on page 277. However, the latest changes are largely consistent with best practice under previous law.

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.

Only public companies reporting under Chapter 2M of the Corporations Act are required to prepare a consolidated entity disclosure statement. Therefore, public companies reporting under other frameworks (e.g. ACNC-registered charities) are not required to prepare a consolidated entity disclosure statement.

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.

ASIC and the AUASB have released guidance on the consolidated entity disclosure statement. More information about this guidance can be found in *ASIC guidance on the consolidated entity disclosure statement* and *AUASB guidance on the consolidated entity disclosure statement* on page 278. An illustrative disclosure of the statement can be found on page 276.

More information



Clarity publication New consolidated entity disclosure statement

B. Sustainability and climate reporting

This section discusses requirements and developments in respect of sustainability and climate reporting.

Roadmap to this section

Section	What is included
B1 Global developments	A summary of IFRS Sustainability Disclosure Standards
B2 Australian sustainability reporting requirements	An overview of the legislative framework and standard-setting for mandatory sustainability reporting in Australia
B3 Greenwashing	Australian regulatory perspective and initiatives to avoid greenwashing practices
B4 Other developments	Developments and initiatives in respect of sustainability reporting, including: • International standard setters • Other sustainability reporting frameworks • Global sustainability reporting requirements that may apply to Australian entities.

More information



The information in this section is a summary of the key requirements regarding sustainability reporting internationally and in Australia.

For more in-depth analysis of sustainability reporting in Australia, see our [Clarity publication](#) *A new era of sustainability reporting*.

Also available is [A director's guide to mandatory climate reporting \(Version 2\)](#), which is an updated co-authored publication of the Australian Institute of Company Directors, Deloitte and MinterEllison.

B1 Global developments

B1.1 Overview of IFRS Sustainability Disclosure Standards

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:

B1.1.1 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 are required to be published at the same time as, and covering the same reporting period as, the financial statements (with some transitional relief).

B1.1.2 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 is 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).

B1.1.3 Effective date

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)⁶.



⁶ Mandatory sustainability reporting commenced in Australia for annual reporting periods beginning on or after 1 January 2025. See section B2 for more information of when Australian entities are required to include sustainability reports in their annual reports.

B1.2 General requirements for sustainability-related financial information (IFRS S1)

B1.2.1 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 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 irrespective of whether the entity's related financial statements are prepared in accordance with IFRS Accounting Standards or another accounting framework.

B1.2.2 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** – 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).

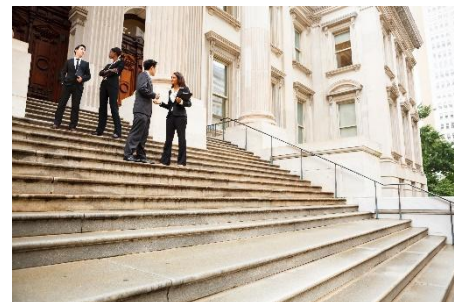


Regulators are increasingly seeking connectivity between the financial statements and other information such as sustainability reports

B1.2.3 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
 - Current and anticipated 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 uses 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.



B1.2.4 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 must consider amongst other sources 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 report
- **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 related 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 compliance⁷.

⁷ The statement of compliance required under Australian Sustainability Reporting Standards does not refer to IFRS Sustainability Disclosure Standards, but instead refers to the Australian Sustainability Reporting Standard being applied (AASB S1 or AASB S2). For more information, see section B2.2.1.

B1.2.5 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.

B1.3 Climate-related disclosures under IFRS S2



Proposed ISSB fast-tracked changes to IFRS S2

The ISSB decided at its [January 2025 meeting](#) to fast-track an exposure draft of proposed amendments to IFRS S2 *Climate-related Disclosures* to address a number of application challenges in relation to greenhouse gas emission disclosures, as previously discussed by the Transition Implementation Group on IFRS S1 and IFRS S2. The ISSB subsequently [released](#) an exposure draft on 28 April 2025 and comments closed on 27 June 2025.

The ISSB intends to make any finalised amendments effective as soon as possible (targeting issue of final amendments by the end of calendar 2025) and will permit early application.

More information about the ISSB exposure draft can be found in section B1.3.5.

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.



B1.3.1 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:

 Governance	 Strategy	 Risk management	 Metrics and targets
Objective Disclose information about the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Objective Disclose information about the entity's strategy for managing climate-related risks and opportunities.	Objective Disclose information about the processes the entity uses to identify, assess, prioritise and monitor climate-related risks and opportunities.	Objective 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).
Disclosures - Information about the governance body(s) or individuals(s) with oversight of climate-related risks and opportunities - Information about management's role in processes, controls and procedures to monitor, manage and oversee climate-related risks and opportunities.	Disclosures - The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects - The current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain - The effects of climate-related risks and opportunities on the entity's strategy and decision-making, including its transition plans - 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 term⁸ - The climate resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties.	Disclosures - The entity's process or processes used to identify, assess, prioritise and monitor climate-related risks and climate-related opportunities - The extent to which, and how, those processes are integrated into and inform the entity's overall risk management process.	Disclosures - Information relevant to the cross-industry metric categories (discussed below) - Industry-based metrics which are associated with particular business models, activities or common features that characterise participation in an industry⁹ - 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.

⁸ 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)).

⁹ See section B2.2 for information about how this requirement is modified in Australian Sustainability Reporting Standards.

B1.3.2 Cross-industry metrics

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

Category	Metric	Unit of measure
GHG emissions		
Absolute gross GHG emissions generated during the reporting period, classified as scope 1, scope 2 and scope 3 emissions ¹⁰	Quantitative	Metric tonnes of CO ₂ equivalent
The approach used to measure GHG emissions, including: - The measurement approach, inputs and assumptions used - The reason the measurement approach, inputs and assumptions were chosen - Any changes made to the measurement approach, inputs and assumptions during the reporting period	Discussion and analysis	n/a
Scope 1 and scope 2 emissions are required to be disaggregated between: - The consolidated accounting group (the parent and its consolidated subsidiaries) - Other investees (associates, joint ventures, unconsolidated subsidiaries) not included in the consolidated accounting group	Quantitative	Metric tonnes of CO ₂ equivalent
For scope 2 emissions: Location-based scope 2 emissions¹¹	Quantitative	Metric tonnes of CO ₂ equivalent
Information about any contractual instruments to inform users' understanding of the entity scope 2 emissions¹²	Discussion and analysis	n/a
For scope 3 emissions: 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>	Discussion and analysis	n/a
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	Quantitative	Metric tonnes of CO ₂ equivalent
Transition risks		
The amount and percentage of assets or business activities vulnerable to transition risks	Quantitative	Amount, percentage
Physical risks		
The amount and percentage of assets or business activities vulnerable to physical risks	Quantitative	Amount, percentage
Opportunities		
The amount and percentage of assets or business activities aligned with climate-related opportunities	Quantitative	Amount, percentage
Capital deployment		
The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	Quantitative	Amount
Internal carbon prices		
The price for each metric tonne of GHG emissions that the entity uses to assess the costs of its emissions	Quantitative	Amount per metric tonne of CO ₂ equivalent

¹⁰ 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. See section B2.2 for more information about how this requirement has been implemented in Australian Sustainability Reporting Standards and section B1.3.5 for discussion about proposed fast-tracked amendments to the measurement of greenhouse gas emissions.

¹¹ "Location-based" does not mean as emission metric based on geographic disaggregation, but rather what grids emissions are generated from, as noted in IFRS S2:BC106 which indicates that "[a]n 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)".

¹² 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
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
Remuneration		
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

B1.3.3 Industry-based metrics



Proposed updates to SASB Standards

In July 2025, the ISSB [released](#) two exposure drafts that would amend the SASB Standards and *Industry-based Guidance on Implementing IFRS S2*.

The exposure drafts are open for comment until 30 November 2025. The ISSB has indicated an effective date of 12 to 18 months after any revisions are made (but early adoption will be available).

More information on these proposed changes is available in section B1.3.6.

IFRS S2 includes industry-based guidance, which originated from the SASB Standards developed for use in the United States¹³. 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 entities whose activities include asset management, commercial banking or 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.



¹³ In August 2022, the Value Reporting Foundation, which included The Sustainability Accounting Standards Board, was merged into the IFRS Foundation. The ISSB has had responsibility for the SASB Standards from that time and is maintaining, enhancing and evolving the SASB Standards.

B1.3.4 Transitional relief

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

In summary, an entity applying IFRS Sustainability Disclosure Standards for the first time can elect **not to**:

- Provide sustainability-related risks and opportunities other than climate-related information¹⁴
- 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)¹⁵
- 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 early application of IFRS Sustainability Disclosure Standards to respond to urgent investor demand for information about climate-related risks and opportunities.



¹⁴ In the Australian context, entities are only required to apply AASB S2, as AASB S1 is a voluntary standard. Accordingly, this transitional relief is not applicable under Australian Sustainability Reporting Standards.

¹⁵ This transitional relief is not available in the Australian context, and accordingly, entities are required to provide their sustainability report at the same time as their financial report (see section D. for details of reporting deadlines under the Corporations Act).

B1.3.5 ISSB fast-tracked proposal to clarify greenhouse gas emissions measurement and disclosures

On 28 April 2025, the ISSB [released](#) an exposure draft proposing targeted amendments to the disclosure requirements for greenhouse gas emissions arising under IFRS S2.

The proposed amendments resulted from application issues considered by the Transition Implementation Group on IFRS S1 and IFRS S2 (TIG) and were agreed by the ISSB at its [January 2025 meeting](#).

The proposed amendments are as follows:

- **Departures from using the GHG Protocol to measure emissions.** The existing reference to using an alternative to the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* (GHG Protocol) when measuring greenhouse gas emissions would be clarified to explain an alternative measure could be used for *part* of an entity when a jurisdictional or exchange requirement applies to that part of an entity. For instance, where the National Greenhouse and Energy Reporting Scheme (NGER) applied to part of the entity, greenhouse gas emissions could be measured using NGER for that part of the entity and the GHG Protocol for the remainder
- **Global warming potential values.** Similar to the GHG Protocol proposals, an entity required by a jurisdictional authority or exchange to use global warming potential (GWP) values other than those from the latest Intergovernmental Panel on Climate Change (IPCC) assessment available at the reporting date, can use those alternative measures when measuring greenhouse gas emissions for *part* of an entity
- **Disclosure of Scope 3 Category 15 greenhouse gas emissions.** Entities would be permitted to limit disclosure of Scope 3 Category 15 (investments) greenhouse gas emissions to financed emissions attributed to loans and investments (including loans, project finance, bonds, equity investments and undrawn loan commitments). For these purposes, the proposals expressly exclude greenhouse gas emissions from derivatives without providing a definition of a “derivative” (due to potential GAAP and framework differences). Furthermore, the proposed amendments would further clarify the disclosure requirements under IFRS S2 do not extend to facilitated emissions and insurance-associated emissions. Entities would be required to provide information about excluded derivative and other financial activity emissions. Entities can voluntarily disclose emissions associated with derivatives, facilitated emissions or insurance-associated emissions
- **Industry classifications.** The proposals would permit an entity with commercial banking or insurance activities to adopt an industry classification other than the Global Industry Classification Standard (GICS) when disaggregating financed emissions where required by a jurisdictional authority or exchange requirement (which may include prudential reporting). Where there is more than one such requirement applying to the entity, the entity would be required to select one classification system. However, if the entity uses GICS in any part of the entity, it would be required to use GICS for all financed emissions. Where the entity does not use GICS and is not subject to jurisdictional or exchange requirements, the entity could use an industry classification system of its choice. Entities would be required to disclose information about any alternative classification system used.

The ISSB intends to fast-track the amendments, expecting redeliberations to be completed in the second half of 2025. The exposure draft was open for a 60 day comment period until 27 June 2025.



The AASB has issued an equivalent exposure draft, [ED SR2 Amendments to Greenhouse Gas Emissions Disclosures](#), and comments closed on 2 June 2025.

For more information on the proposals, see [iGAAP in Focus ISSB proposed amendments to IFRS S2 regarding specific gas emissions disclosure requirements](#).

B1.3.6 ISSB proposals to amend the SASB Standards

The International Sustainability Standards Board (ISSB) has [released](#) two exposure drafts that would amend the SASB Standards and Industry-based Guidance on Implementing IFRS S2.

The exposure drafts are designed to support the implementation of IFRS Sustainability Disclosure Standards by enhancing the SASB Standards. The focus on the project is on further enhancing international applicability, improve interoperability with other sustainability-related standards and frameworks and to include amendments in relation to biodiversity, ecosystems and ecosystem services (BEES) and human capital (to provide input into the ISSB's research projects in these areas).

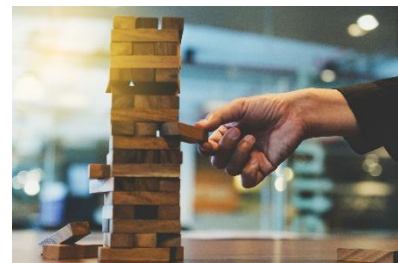
The exposure drafts propose:

- Substantial amendments to nine SASB Standards as a result of a comprehensive review of those standards. The nine Standards cover coal, construction materials, iron and steel, metals and mining, oil and gas and processed foods
- Targeted amendments to other SASB Standards for 41 industries to maintain consistent disclosures on common topics, affecting disclosure topics and metrics related to greenhouse gas emissions, energy management, water management, labour practices and workforce health and safety.

As the Industry-based Guidance on Implementing IFRS S2 is derived from, and consistent with, the SASB Standards, equivalent amendments are proposed in that document to ensure consistency. Metrics in the guidance would be amended for 10 sectors (i.e. all sectors except the financials sector). In addition, a number of metrics are proposed to be deleted or added across the Industry-based guidance.

The exposure drafts are open for comment until 30 November 2025. The ISSB has indicated an effective date of 12 to 18 months after any revisions are made (but early adoption will be available).

In the Australian context, AASB S2 *Climate-related Disclosures* does not require entities to refer to or consider the SASB Standards or Industry-based Guidance on Implementing IFRS S2 (but entities can voluntarily choose to do so). The AASB has not conducted consultation on the full suite of SASB Standards or the Industry-based Guidance on Implementing IFRS S2 but has previously signalled an intention to finalise requirements for climate-related industry-based information in Australia by 2030.



B1.4 ISSB priorities

In May 2023, the ISSB released [Request for Information Consultation on Agenda Priorities](#), seeking feedback on its priorities for the following two years. After deliberations, in June 2024, the ISSB released a [Feedback Statement](#) indicating that the ISSB had decided to:

- Place a high level of focus on supporting the implementation of IFRS S1 and IFRS S2 (see section B1.4.1)
- Place a slightly lower level of focus on enhancing the SASB Standards
- Add research projects to its work plan (see section B1.4.2) on the risks and opportunities associated with:
 - Biodiversity, ecosystems and ecosystem services (BEES)
 - Human capital.



The ISSB decided against specifying how much focus it would place on the core activities of connectivity with the IASB, interoperability with other sustainability-related standards and frameworks, and stakeholder engagement, acknowledging that these activities are integral to all the ISSB's work.

B1.4.1 Supporting the implementation of IFRS S1 and IFRS S2

As part of its ongoing commitment to supporting the implementation of IFRS S1 and IFRS S2, the ISSB has undertaken activities and issued publications, including:

- Fast-tracking a proposal to clarify greenhouse gas emissions measurement and disclosure (see section B1.3.5)
- Progressively improving the SASB Standards (see section B1.3.6)
- Publishing the following educational materials and guidance documents:
 - [Disclosing information about anticipated financial effects applying ISSB Standards](#) (August 2025)
 - [Using ISSB Industry-based Guidance when applying ISSB Standards](#) (July 2025)
 - [Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2](#) (June 2025)
 - [Applying IFRS S1 when reporting only climate-related disclosures in accordance with IFRS S2](#) (June 2025)
 - [Greenhouse Gas Emissions Disclosure requirements applying IFRS S2 Climate-related Disclosures](#) (May 2025)
 - [Applying IFRS S1 when reporting only climate-related disclosures in accordance with IFRS S2](#) (January 2025)
 - [Sustainability-related risks and opportunities and the disclosure of material information](#) (November 2024)
 - [Comparison – IFRS S2 with the TCFD Recommendations](#) (updated November 2024)
 - [ESRS-ISSB Standards Interoperability Guidance](#) (May 2024)
 - [Using the SASB Standards to meet the requirements in IFRS S1](#) (February 2024)
 - [Interoperability considerations for GHG emissions when applying GRI Standards and ISSB Standards](#) (January 2024)
 - [Nature and social aspects of climate-related risks and opportunities](#) (December 2023).

Where considered relevant, signposts to, and extracts from, these materials have been included in Section E. to assist readers to understand the core requirements of AASB S2.

B1.4.2 Current status of ISSB research projects

In undertaking its research projects, the ISSB decided to build on existing materials (including the SASB Standards, CDSB Framework and the recommendations of the Taskforce on Nature-related Financial Disclosures) and promote interoperability between its own global baseline of sustainability-related financial disclosures and other widely used standards and frameworks (including GRI Standards and European Sustainability Reporting Standards (ESRS)).

The table below provides an overview of current developments in the ISSB's research projects (links are to the ISSB Updates for each meeting):

Meeting	Progress step	BEES	Human capital
July 2024	Research design and approach	✓	✓
September 2024	Consideration of related risks and opportunities in the SASB Standards	✓	✓
October 2024	Jurisdictional survey on existing and upcoming jurisdictional related disclosure requirements	✓	✓
November 2024	Consideration of evidence of investor interest in information about risks and opportunities and evidence of how these risks and opportunities affect entities' prospects	✓	
	Other disclosure standards and frameworks	✓	✓
January 2025	Findings on evidence of investor interest in risks and opportunities	✓	
	Related matters where IFRS Accounting Standards might require presentation or disclosure in financial statements	✓	✓
February 2025	Background on other BEES-related standards and frameworks and comparison of other BEES-related standards and frameworks to IFRS S1 and SASB Standards	✓	
	Investor interest in information about risks and opportunities and the effects of these risks and opportunities on entities' prospects		✓
March 2025	Current status of disclosure	✓	✓
	Evidence of the effects of risks and opportunities on entities' prospects	✓	
	Other standards and frameworks for related disclosures	✓	✓
April 2025	Summary of findings from the first phase of the research projects and approach for next phase of the research project	✓	✓
July 2025	Proposed project plan and the scope of the second phase of research	✓	
	Summary of the proposed amendments to the SASB Standards that relate to the research project and how these proposals take into account the TNFD recommendations and interoperability with the GRI Standards	✓	
	Approach to organising human capital concepts		✓
September 2025 ¹⁶	Summary of common investor information needs and comparison to ISSB materials	✓	

¹⁶ At the time of finalisation of this publication (24 September 2025) the agenda papers for this meeting were available but the meeting had not been held.

B2 Australian sustainability reporting requirements

B2.1 Legislative framework

B2.1.1 Enabling legislation

Implementation of the mandatory sustainability legislative framework in Australia was effected through two key pieces of legislation:

Act	Commencement	Measures implemented
Treasury Laws Amendment (2023 Measures No.1) Act 2023	28 November 2023	- Implements an initial framework for sustainability reporting - Permits the AASB to develop and formulate (non-mandatory) sustainability standards in addition to accounting standards - Clarifies the AUASB's function to develop and maintain relevant auditing and assurance standards for sustainability purposes - Extends the functions of the Financial Reporting Council to include strategic oversight and governance functions in relation to the AASB and AUASB's sustainability standards functions.
Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024	18 September 2024	- Requires most entities reporting under Chapter 2M of the Corporations Act to prepare a sustainability report (phased in over a number of years) - Requires high (2.5°C or more) and low (1.5°C) scenario analyses - Extends record keeping requirements to sustainability records - Implements requirements for audit and auditor's reports in relation to the sustainability report - Permits the AASB to make mandatory sustainability standards for the purposes of the sustainability report under the Corporations Act (prior to this, the AASB could only formulate non-mandatory sustainability standards).

B2.1.2 Entities required to prepare sustainability reports under the Corporations Act

Entities which lodge financial reports under Chapter 2M of the Corporations Act are required to prepare sustainability reports, subject to size thresholds (based on their levels of assets, revenues and employees) and a phased in approach (set out in more detail below). There are three groups first reporting from financial years beginning on or after 1 January 2025 (Group 1), 1 July 2026 (Group 2) and 1 July 2027 (Group 3).

In addition, all entities who are required to report under Chapter 2M of the Corporations Act and who also report under the *National Greenhouse and Energy Reporting Act 2007* (NGER) are 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 more¹⁷.

¹⁷ 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 are only required to make disclosures if they face material climate-related risks or opportunities, and where this is not the case, will 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 (s.296B).

Concessions introduced enable consolidated groups to elect to only prepare one sustainability report for the same Australian consolidated group as the related consolidated financial statements.

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

B2.1.3 Phased approach to implementation

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

- Entities which meet **two or more** of the prescribed size thresholds related to employees, consolidated assets and consolidated revenue, 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	Annual reporting periods commencing on or after	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		
1¹⁸	1 January 2025	500 or more	\$1 billion or more	\$500 million or more	Above NGER publication threshold ¹⁹	N/A ²⁰
2²¹	1 July 2026	250 or more	\$500 million or more	\$200 million or more	All other NGER reporters	\$5 billion assets or more
3²²	1 July 2027	100 or more	\$25 million or more	\$50 million or more	N/A	N/A

¹⁸ s.1707B(1)(a), s.1707B(2).

¹⁹ Under s.1707B(4)(b), an NGER reporter is required to report in Group 1 if the entity's group meets the threshold in s.13(1)(a) of the *National Greenhouse and Energy Reporting Act 2007*. This threshold is met if the total amount of greenhouse gases emitted by the entity's group is at least 50 kilotonnes of CO₂ equivalent in a year.

²⁰ Under 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.

²¹ s.1707B(1)(b), s.296B(2), (4), (5).

²² s.292A, s.1707B(1)(c).

For the purposes of the sustainability reporting thresholds (s.292(4), s.292(7)):

- In counting employees, part-time employees are taken into account as an appropriate fraction of a full-time equivalent
- The question of whether an entity controls another is to be determined in accordance with Australian Accounting Standards (i.e. AASB 10 *Consolidated Financial Statements*)
- Consolidated revenue, the value of consolidated gross assets (in Category 1) and the value of assets (in Category 3) are to be determined in accordance with Australian Accounting Standards.

ASIC guidance on determining amounts

ASIC [Regulatory Guide RG 280](#) *Sustainability reporting* (RG 280) contains some further guidance on how the amounts ascribed to assets, revenue and employees are determined when applying the sustainability reporting threshold tests in Category 1 and Category 3 above.

In particular (RG 280.43):

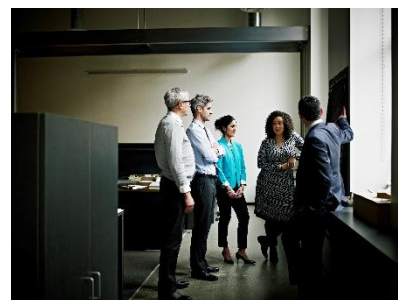
- **Assets:** Total assets are determined as the amount reported as total assets in the statement of financial position or consolidated statement of financial position (as appropriate)
- **Revenue:** Revenue should be determined by reference to the definitions of income and revenue provided in AASB 15 *Revenue from Contracts with Customers*. Depending on the business model, entities may also consider other Australian Accounting Standards that give rise to the recognition of revenue, such as:
 - AASB 9 *Financial Instruments*
 - AASB 11 *Joint Arrangements*
 - AASB 17 *Insurance Contracts*
 - AASB 140 *Investment Properties*
 - AASB 141 *Agriculture*
- **Employees:** In calculating the number of employees, ASIC notes “it may be helpful as a starting point” to refer to paragraph (a) in the definition of “employees and other providing similar services” contained in Appendix A of AASB 2 *Share-based Payment*.

In [ASIC Report 809](#) *Response to submissions on CP 380 “Sustainability reporting”*, ASIC provides further background to the development of the above guidance, reproduced below:

“In response to feedback, we have amended our guidance to include a new section on revenue, assets and employees. ...

However, we recognise that the definitions of these concepts under the accounting standards allow for a degree of interpretation. Therefore, in some cases, a reporting entity may need to seek professional advice in relation to the application of the accounting standards to determine whether the entity meets a sustainability reporting threshold.

We have not provided more detailed guidance as we consider that this could impact longstanding financial reporting and audit practices as well as the interpretation of accounting standards in the financial reporting context.”



Accordingly, ASIC's guidance is not extensive and entities will need to apply judgement in determining the amounts used in the sustainability reporting threshold tests. The table below provides some considerations in response to the limited guidance in RG 280:

ASIC guidance	Considerations
The value of assets using the Category 1 and Category 3 tests is determined by reference to total assets reported in the statement of financial position	- Where there is a choice under Australian Accounting Standards in how an asset is measured (e.g. property, plant and equipment may be measured on the cost basis or revaluation basis), the entity's accounting policy determines the amount to include in the measure of assets - The value of assets is determined after the deduction of accumulated depreciation, amortisation, loss allowances, impairment and similar amounts - Assets held for sale will be included in the measure of assets - For investment entities, total assets are determined on the fair value of the entity's investments (determined under AASB 9 <i>Financial Instruments</i>) rather than the underlying gross assets of the entity's subsidiaries - Entities managing assets on behalf of others, such as fund managers, do not include the value of assets under management in the assets measure unless those assets are consolidated by the entity
Judgement is required in determining the revenue measure	- The revenue measure can include more than revenue determined under AASB 15 - Entities should develop a policy on which amounts to include after considering their business model and seeking professional advice if necessary
Employees include <i>at least</i> individuals regarded as employees for legal and tax purposes²³	- By using the wording "helpful as a starting point", ASIC implies additional employees may be identified - Casual employees who are considered employees for legal and/or tax purposes may be included in the measure (but no further guidance is provided on how such employees would be counted) - The linkage to legal concepts may warrant legal advice in some cases.

B2.1.4 Reporting requirements

Overview

The enabling legislation introduces a new "sustainability report" forming a fourth report as part of an entity's annual report, alongside the directors' report, financial report and auditor's reports. The auditor's report on the sustainability report is separate from the audit report on the financial report. The sustainability report includes (s.296A(1)):

- The climate statements
- Notes to the climate statements
- Any statements or notes to the statements prescribed by the regulations
- Directors' declaration.

²³ RG 280 refers to subparagraph (a) of the definition of "employees and other providing similar services" in Appendix A of AASB 2 *Share-based Payment*. This definition is as follows (emphasis added): "Individuals who render personal services to the entity and either (a) *the individuals are regarded as employees for legal or tax purposes*, (b) the individuals work for the entity under its direction in the same way as individuals who are regarded as employees for legal or tax purposes, or (c) the services rendered are similar to those rendered by employees"

The climate statements and notes to the climate statements 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 are those determined by sustainability standards made for purposes of the legislation (i.e. the Australian Sustainability Reporting Standards made by the AASB) (s.292A(2), RG 280.71).

Compliance with Australian Sustainability Reporting Standards and legislative requirements

The sustainability report must comply with sustainability standards set by the AASB (and any requirements in the regulations) (s.296C). Where those sustainability standards require the disclosure of a scenario analysis, information derived from a scenario analysis or information about a scenario analysis, the scenario analysis must consider *at least* both of the following scenarios (s.296D(2B)):

- A **high global warming scenario** considering an increase in global average temperature that well exceeds the increase mentioned in subparagraph 3(a)(1) of the *Climate Change Act 2022*. The [explanatory memorandum](#) for the enabling legislation indicates this to be 2°C above pre-industrial levels and that an increase of 2.5°C or higher would be considered to “well exceed” the current increase mentioned in the *Climate Change Act 2022*. In [RG 280](#), ASIC notes that there is a risk that reporting entities will not comply with the Corporations Act if they use a climate scenario based on an increase that is less than 2.5°C (RG 280.99)
- A **low global warming scenario** considering an increase in global average temperature limited to the increase mentioned in subparagraph 3(a)(ii) of the *Climate Change Act 2022*. This increase is 1.5°C above pre-industrial levels.



RG 280 outlines that the key objective of these requirements is to ensure that users have information about an entity's climate resilience and material financial risks and opportunities relating to climate that are informed by scenarios that contemplate both (RG 280.100):

- Rapid global decarbonisation in the near term
- More pronounced climate impacts over the medium to longer term.

Notes to the climate statements

In [RG 280](#), ASIC provides guidance on notes to climate statements required by the Corporations Act. The climate statements are those required by the sustainability standards, i.e. AASB S2. ASIC explains it does not expect entities will need to include notes to climate statements in a sustainability report.

In ASIC's view, this is because (RG 280.97):

- The Minister has not made a legislative instrument regarding the preparation and content of climate statements
- AASB S2 does not currently require notes (i.e. the climate statements themselves are prepared in accordance with AASB S2 (s.292A(2), RG 280.71))
- Climate statements that are prepared in accordance with AASB S2 will be sufficient to meet the requirements of the Corporations Act (specifically s.296D).

Reporting

The sustainability report must be given to members (s.316A(3A)), or if not otherwise required, made publicly available on the entity's website (s.316B) – the latter would apply to entities that are not required to send financial reports to members, e.g. registrable superannuation entities and certain companies limited by guarantee. Public companies required to hold an AGM must lay the sustainability report before the AGM (s.317(1)(aa)).

The reporting timetable for the sustainability report is consistent with existing financial reporting requirements under the Corporations Act, with disclosing entities, registered managed investment schemes and registrable superannuation entities required 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.

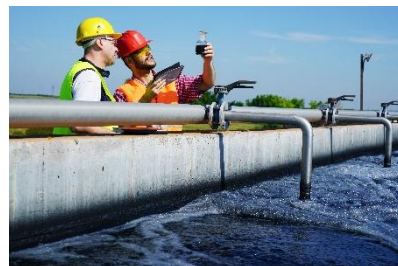
Entities are not precluded from cross referencing to other reports outside of the sustainability report. If cross-referenced reports do not form part of the annual report, ASIC encourages entities to lodge those reports together with the sustainability report (RG 280.87).

B2.1.5 Assurance requirements

All climate disclosures included in sustainability reports made from 1 July 2030 onwards will be subject to audit (reasonable assurance) (s.301A). At the end of January 2025 the Auditing and Assurance Standards Board (AUASB) approved the adoption of international standard ISSA 5000 *General Requirements for Sustainability Assurance Engagements* and issued the equivalent [ASSA 5000](#) which is applicable to sustainability assurance engagements for reporting periods beginning on or after 1 January 2025²⁴.

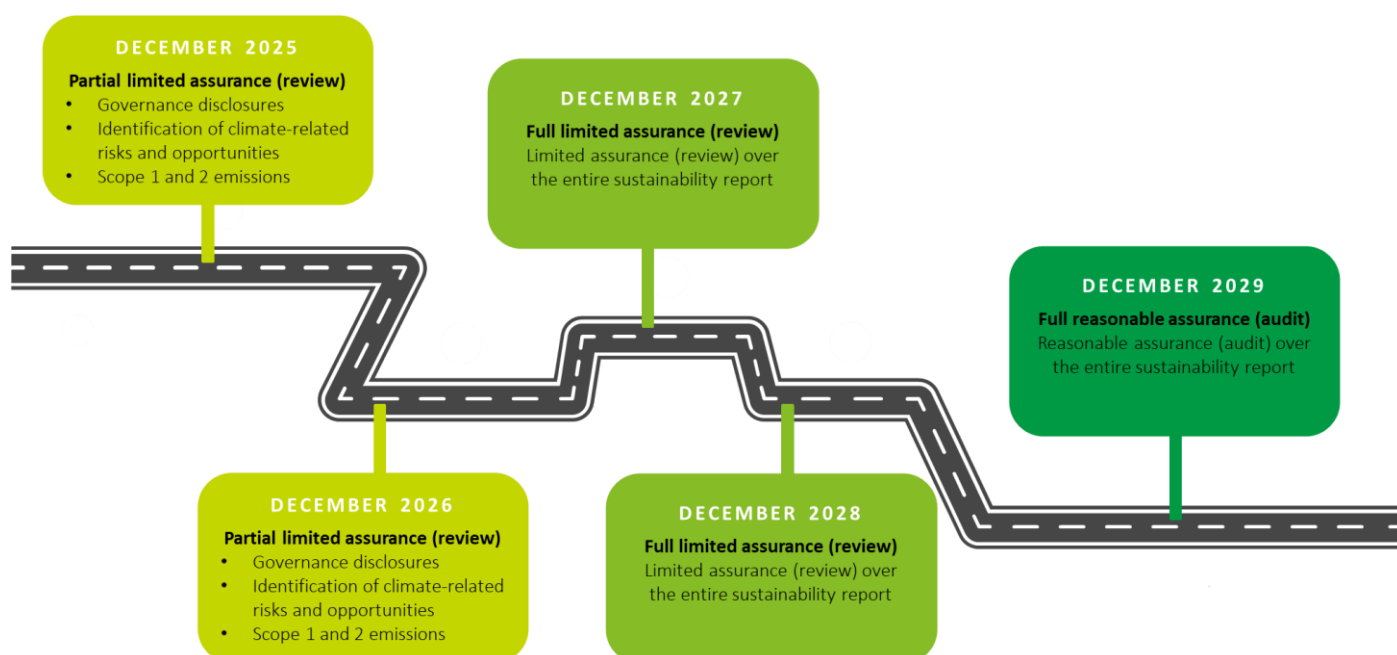
The legislation provides that the requirements for assurance over the sustainability report prior to 1 July 2030 should be determined by the AUASB on a phased-in basis (s.1707E).

On 12 February 2025 the AUASB released [Australian Standard on Sustainability Assurance ASSA 5010](#) *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act* which introduced a timeline of when different parts of a sustainability report require assurance and the level of required assurance for the financial years commencing from 1 January 2025 to 30 June 2030. The phasing depends on whether the entity is a Group 1, 2 or 3 entity, as well the entity's financial reporting year end date. In general, the timeline assumes that an entity's sustainability report would be subject to reasonable assurance (audit) starting from the fourth year of mandatory climate reporting.



²⁴ In response to matters raised by the auditing profession on initial application of the standard, in April 2025 the AUASB [issued](#) Exposure Draft ED 01/25 *Proposed amendments to ASSA 5000 'General Requirements for Sustainability Assurance Engagements' and ASA 102 'Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements'*. On 4 June 2025, the AUASB [announced](#) minor amendments to ASSA 5000 in relation to the ethics requirements and effective date.

The diagram below illustrates how the assurance requirements will be applied in the first five years of mandatory sustainability reporting for entities with December year ends.



Below is an illustration of how the phasing would operate for Group 1, 2 and 3 entities:

Year of reporting	Year 1	Year 2	Year 3	Year 4
Group 1 – Years commencing	1 January 2025 to 30 June 2026	1 July 2026 to 30 June 2027	1 July 2027 to 30 June 2028	1 July 2028 onwards
Group 2 – Years commencing	1 July 2026 to 30 June 2027	1 July 2027 to 30 June 2028	1 July 2028 to 30 June 2029	1 July 2029 onwards
Group 3 – Years commencing	1 July 2027 to 30 June 2028	1 July 2028 to 30 June 2029	1 July 2029 to 30 June 2030	1 July 2030 onwards
Level of assurance	Partial limited ²⁵	Full limited	Full limited	Full reasonable
Governance	Limited	Limited	Limited	Reasonable
Strategy (risks and opportunities)	Limited ²⁶	Limited	Limited	Reasonable
Climate resilience assessments/ Scenario analysis	None	Limited	Limited	Reasonable
Transition plans	None	Limited	Limited	Reasonable
Risk management	None	Limited	Limited	Reasonable
Scope 1 and 2 emissions	Limited	Limited	Limited	Reasonable

²⁵ “Partial limited assurance” is not a term used by ASSA 5010. However, we have used this to refer to the first year of the AUASB phasing in of assurance requirements, where limited assurance is only required on selected disclosures of the sustainability report rather than the full sustainability report

²⁶ Limited assurance covers only disclosures under subparagraphs 9(a), 10(a) and 10(b) of AASB S2

Year of reporting	Year 1	Year 2	Year 3	Year 4
Scope 3 emissions	N/A ²⁷	Limited	Limited	Reasonable
Climate-related metrics and targets	None	Limited	Limited	Reasonable

Each year of phasing under the assurance standard is linked to and ends on 30 June (from 30 June 2026 onwards). This means that “Group 1” entities with financial years commencing between 1 January 2025 and 30 June 2025 have an additional year of partial limited assurance (i.e. effectively have two “Year 1s”).

From the second year of reporting under AASB S2, entities are required to disclose scope 3 emissions. Group 1 entities with reporting years commencing prior to 30 June 2025 (e.g. a 31 December 2025 year end) must therefore disclose scope 3 emissions in their second year of reporting (i.e. 31 December 2026 annual period). However this information will not be subject to assurance until their third year of reporting (i.e. the 31 December 2027 annual period).

B2.1.6 Modified liability



Proposed changes to the modified liability framework

Following an earlier [consultation](#), on 4 September 2025, the Federal Government introduced [Treasury Laws Amendment \(Strengthening Financial Systems and Other Measures\) Bill 2025](#) into Parliament. One of the measures in the Bill would extend the scope of the modified liability framework to:

- Entities preparing voluntary sustainability reports in accordance with the requirements of the Corporations Act before they are mandatorily required to do so (i.e. voluntary sustainability reports prepared in accordance with the requirements of the Corporations Act and complying with AASB S2)
- Entities complying with ASIC instruments dealing with sustainability reporting where the ASIC instrument includes a statement that the modified liability provisions apply.

In both cases, the directors would also be required to make a declaration in the sustainability report (in a prescribed way) that the modified liability provisions apply.

At the date of finalisation of this publication (24 September 2025), the legislation had not passed Parliament and is not law.

In [ASIC Report 809 Response to submissions on CP 380 “Sustainability reporting”](#), ASIC notes that if these measures are legislated, RG 280 will be updated.

The enabling legislation introduces 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 sustainability reports for financial years that commence on or before three years from 1 January 2025 (the start date) (s.1707D(3)).

²⁷ Transition relief in AASB S2 provides an exemption from disclosing scope 3 emissions for the first year

In addition, the legislation provides a separate “modified liability” framework in relation to a sustainability report for a financial year commencing during the 12 months from 1 January 2025, for forward-looking statements made in a sustainability report or auditor’s report related to complying with a sustainability standard in relation to climate (s.1707D(4)).

Limited immunity is provided for company directors in respect of the above information (termed “protected statements”) disclosed in a sustainability report as well as for auditors in respect of the statements made in an auditor’s report in respect of these matters.

In RG 280, ASIC notes that:

- Protected statements about scope 3 emissions, scenario analysis and transition plans are likely to include statements about the inputs and assumptions that inform those disclosures (RG 280.65)
- Protected statements can only include statements made for the purposes of complying with a sustainability standard (RG 280.66)

Furthermore, ASIC notes protected statements outside the sustainability report or auditor’s report can only occur when the statement is required to be made under a Commonwealth law and are the same as the protected statement in the sustainability report (s.1707D(1)(b), RG 280.67).

ASIC provides examples of when protected statements may be required to be made (e.g. continuous disclosure obligations, OFR, product disclosure statements) (see RG 280.68 for more information). Accordingly, statements made outside of a sustainability report cannot be protected where they (RG 280:69):

- Are made voluntarily (e.g. investor presentations and promotional material, unless required by law)
- Are included in the sustainability report by cross-reference
- Are a summary or expansion of a protected statement
- Are an updated or corrected protected statement, unless those updates or revisions have been included in a revised version of a protected statement that is required to be made under Commonwealth law.

B2.2 Australian Sustainability Reporting Standards

On 20 September 2024, the AASB finalised the first Australian Sustainability Reporting Standards, supporting the implementation of mandatory climate-related financial disclosures in Australia by providing the disclosure standards against which entities can report. These new standards apply to annual reporting periods beginning on or after 1 January 2025²⁸.

The final Australian Sustainability Reporting Standards closely align with the IFRS Sustainability Disclosure Standards, a shift from the initial [exposure draft](#) released by the AASB in October 2023. That exposure draft included numerous Australian-specific requirements that departed from the IFRS Sustainability Disclosure Standards. However, in response to overwhelming constituent feedback from the consultation process that Australia should not depart from the “baseline” of IFRS Sustainability Disclosure Standards, the AASB decided to align more closely with the global standards, albeit that some differences remain.

The first Australian Sustainability Reporting Standards released by the AASB are:

- **AASB S1** *General Requirements for Disclosure of Sustainability-related Financial Information* (AASB S1) – a voluntary standard covering disclosure of all sustainability-related risks and opportunities
- **AASB S2** *Climate-related Disclosures* (AASB S2) – a mandatory standard covering disclosure of climate-related risks and opportunities.

B2.2.1 Key differences between IFRS Sustainability Disclosure Standards and Australian Sustainability Reporting Standards

Although AASB S2 is closely aligned with IFRS S2, some differences remain. As such, entities applying AASB S2 in isolation will not be able to make an explicit and unreserved statement of compliance with IFRS Sustainability Disclosure Standards.

The key differences between Australian Sustainability Reporting Standards and IFRS Sustainability Disclosure Standards are set out in the table below:



Applicability

IFRS S1 and IFRS S2 were designed to be applied together – in other words entities applying IFRS Sustainability Disclosure Standards cannot apply IFRS S2 without also applying IFRS S1. In Australia, AASB S1 is a **voluntary standard**, whereas AASB S2 is a **mandatory standard**. To give effect to this, AASB S1 has Australian-specific edits explaining that the standard is voluntary even though it uses language such as “shall” and “required”. In addition, relevant material from AASB S1 has been reproduced (using the same paragraph numbers) in an Appendix D to AASB S2 to make AASB S2 operative as a mandatory stand-alone standard.



²⁸ Although the Australian Sustainability Reporting Standards are applicable to annual reporting periods beginning on or after 1 January 2025, only entities in ‘Group 1’ are required to prepare sustainability reports from that date under the Corporations Act. Accordingly, entities in Group 2 and Group 3 will apply the standards for annual reporting periods beginning on or after 1 July 2026 and 1 July 2027 respectively (i.e. when the Corporations Act requires those entities to prepare a sustainability report).



Industry-based metrics

AASB S2 excludes references to industry-based disclosure topics in SASB Standards and Industry-based Guidance on Implementing IFRS S2 and does not require the disclosure of industry-based metrics determined after considering those disclosure topics. The AASB is undertaking a separate project to consider industry-based disclosures which will be conducted in two phases (supporting the ISSB in enhancing the SASB Standards, followed by standard-setting activities).



Sector neutrality

Limited additional provisions in both AASB S1 and AASB S2 cater for not-for-profit and public sector entities (e.g. references to the Framework for the *Preparation and Presentation of Financial Statements* for not-for-profit entities). The AASB has agreed to undertake a separate project in this area in future.



Statement of compliance

Each of AASB S1 and AASB S2 require a statement of compliance with each specific Standard, rather than “Australian Sustainability Reporting Standards” or “IFRS Sustainability Disclosure Standards”. Accordingly, an entity complying only with the mandatory AASB S2 would make a statement of compliance with AASB S2. Entities looking to also achieve compliance with IFRS Sustainability Disclosure Standards, in addition to applying AASB S2, would need to incorporate consideration of the Industry-based Guidance (that has been removed from AASB S2) and in addition apply AASB S1 in full.



Transitional provisions

The Australian Sustainability Reporting Standards have fewer transitional provisions (e.g. entities need to publish their initial sustainability reports at the same time as their financial reports, whereas IFRS Sustainability Disclosure Standards permit initial sustainability reports to be published up to nine months after the end of the reporting period).



Document versions

Due to Australian legislative requirements, references in the Australian Sustainability Reporting Standards to external documents (such as the Global Industry Classification Standard) must specify the version of those documents to apply (whereas IFRS Sustainability Disclosure Standards generally refer to the ‘latest’ version). For example, AASB S2 now explicitly references the “6th assessment report” of the *Intergovernmental Panel on Climate Change* (IPCC) for the purposes of determining global warming potential (GWP) values (whereas IFRS S2 simply refers to the “latest” IPCC assessment report, although the ISSB has [proposed amendments](#) to this requirement which would permit the use of other GWP values if a jurisdictional authority or an exchange on which the entity is listed requires the use of different GWP values (see section B1.3.5)).

AASB plans in relation to industry-based information

The AASB has indicated that its decision not to mandate entities to consider the disclosure topics and associated industry-based metrics from the SASB standards in AASB S2 is an interim measure.

The AASB plans to introduce such requirements for application from 2030 onwards, following further work to develop industry-based disclosure requirements for Australian entities. While references to the SASB standards have been removed from AASB S2, these standards are still viewed as an appropriate source of guidance in the absence of more explicit or authoritative guidance.

Entities reporting under National Greenhouse and Energy Reporting legislation

In alignment with IFRS Sustainability Disclosure Standards, the Australian Sustainability Reporting Standards prioritise the Greenhouse Gas (GHG) Protocol over the National Greenhouse and Energy Reporting (NGER) legislation as the primary framework for measuring greenhouse gas emissions. However, entities subject to NGER reporting are still permitted to use NGER methodologies under the standard and this will not result in a departure from the requirements of IFRS S2.

Under amendments to IFRS S2 [exposed](#) by the ISSB in late April 2025, the ISSB intends to clarify the jurisdictional relief under IFRS S2 so that, if an entity, in whole or in part, is required by a jurisdictional authority or exchange on which it is listed to use a method other than the GHG Protocol Corporate Standard to measure GHG emissions, the entity would be permitted to use that method instead of the GHG Protocol Corporate Standard.

This would permit the jurisdictional relief to be applied to part of the entity as well as the whole of the entity and so permit an entity to use NGER for part of its emissions (where required to do so) and the GHG Protocol for the remainder. The ISSB intends to finalise any amendments by the end of calendar 2025 and they will be permitted to be early adopted. The AASB also [released](#) an equivalent exposure draft to fast-track equivalent amendments in the Australian content.

For more information, see section B1.3.5.



B2.3 Australian regulatory perspectives

Following the enabling legislation for mandatory sustainability reporting [becoming law](#), ASIC [called on](#) entities to implement appropriate governance arrangements and sustainability record keeping processes to prepare for sustainability reporting.

To assist reporting entities, ASIC has established a [dedicated sustainability reporting page](#) on the ASIC website to provide information about the new regime and how ASIC will administer it. Reporting entities should refer to this page as an ongoing resource as we understand that it will be updated with further information and regulatory guidance over time.

On 31 March 2025 ASIC issued a [Regulatory Guide 280 Sustainability reporting \(RG 280\)](#). It includes guidance on determining who must prepare a sustainability report under the Corporations Act, the required content of the sustainability report, sustainability-related financial information disclosed outside the sustainability report, and ASIC's administration of the sustainability reporting requirements. The key points of the guide are:

- **Scope** - RG 280 provides guidance on which entities must prepare a sustainability report under the Corporations Act:
 - In response to feedback from its earlier consultation, ASIC provides some guidance on how assets, revenues and employees are determined when applying the sustainability reporting threshold tests. However, in an accompanying feedback report, ASIC notes the need for judgement in this area (see section B2.1.3)
 - In relation to the consolidation relief provisions of the Corporations Act, ASIC notes that a reporting entity that is an Australian subsidiary of a foreign parent must prepare an individual sustainability report and cannot rely on or lodge the foreign parent's sustainability report to avoid preparing a sustainability report for the Australian entity. Additionally, subsidiaries of investment entities must prepare their own sustainability report if they meet the reporting thresholds as they cannot rely on the consolidation relief provisions
 - ASIC has provided relief for stapled entities to allow one entity to prepare a sustainability report on behalf of the stapled group
- **Content** - RG 280 explains the content of the sustainability report includes the key requirements of the Corporations Act (including the legislative requirements for specific scenario analyses) and the disclosures required by AASB S2 *Climate-related Disclosures*. ASIC notes that it will permit additional voluntary sustainability-related information (for example applying AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information*) to be included in a sustainability report provided that mandatory information is clearly identifiable and not obscured. ASIC also provides its views on selected content topics such as scope 3 GHG emissions and the proportionality mechanisms and exceptions under AASB S2
- **Disclosures outside the sustainability report** - ASIC encourages entities to adopt the definitions from AASB S1 and AASB S2 when those terms are also used outside the sustainability report, such as in directors' reports (containing the OFR), fundraising documents and promotional material. This would apply to terms such as climate resilience, scope 1, 2 and 3 greenhouse gas emissions, and climate-related physical and transition risks. ASIC also provides guidance on climate-related financial information in prospectuses and product disclosure statements



- **Supervision and enforcement** - ASIC notes that it will take a “proportionate and pragmatic” approach during the phasing in of the sustainability reporting requirements. ASIC has provided relief to allow electronic lodgement of sustainability reports. ASIC also sets out its policy of when it may grant additional individual relief
- **Directors’ duties** - RG 280 notes the need for directors to have an understanding of the entity’s reporting obligations and climate-related risks and opportunities, to require the establishment of systems, controls, policies and procedures, and to apply a critical lens to disclosures proposed by management
- **Modified liability** - ASIC notes that statements are only protected if they are made for the purposes of complying with a sustainability standard, and so do not extend to other information in the sustainability report that is beyond the sustainability standards (e.g. voluntary disclosures under other frameworks), nor to voluntary information outside the sustainability report (subject to certain conditions). ASIC further notes that if the Government’s proposed amendments to the modified liability regime were to be enacted, it will update its regulatory guidance to reflect the changes (see section B2.1.6).

Listed entities should continue to include climate-related risks and opportunities in their OFR and consider ASIC [Regulatory Guide 247](#) *Effective disclosure in an operating and financial review* when preparing the OFR.

Furthermore, in [RG 280](#), ASIC:

- Notes listed entities must disclose sustainability-related financial information, including climate-related financial information in the OFR, if it would be reasonably required by members in making an informed assessment of the entity’s operations, financial position, business strategies and prospects for future financial years (i.e. under s.299A) (RG 280.123)
- Encourages entities to adopt relevant definitions from AASB S1 and AASB S2 where those terms are used in the OFR and apply the principles for disclosing useful sustainability-related financial information from those standards when disclosing sustainability-related financial information in the OFR (RG 280.124).

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 disclose 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, where an entity is not in Group 1 for sustainability reporting purposes, it should consider the implementation of mandatory climate-related financial disclosures when determining annual report disclosures in the current period. This should also extend to the impact of climate-related risks and opportunities on the carrying amounts of assets and liabilities recognised in the financial report and related disclosures.

In August 2025, ASIC [published](#) the first issue of its *Reporting and audit update*, which covers regulatory developments in reporting and audit, including sustainability and financial reporting matters. In this initial update, ASIC announced the publication of a [register of sustainability reporting relief decisions](#) to provide insights into its decision-making process over applications for relief, including any conditions imposed.

The update also noted some observations from ASIC's review of voluntary sustainability disclosures made by Australian entities prior to the implementation of mandatory sustainability reporting. ASIC found that:

- Disclosures were often repetitive, with key information about the management of climate-related risks and opportunities sometimes obscured, making it difficult for users to identify the key information
- Scenario analysis disclosures lacked detail about the underlying assumptions and dependencies relied on
- Where reporting entities had a transition plan, the related disclosures could have been more clearly linked to the entity's targets, actions and strategies.

B2.4 Proposed guidance on preparing transition plans

In August 2025, Treasury [released](#) a consultation paper *Climate-related Transition Planning Guidance*.

Forming part of the Federal Government's [Sustainable Finance Roadmap](#) and focused on transition plan preparers, the draft guidance included in the consultation paper is structured around four key design principles: international alignment (including the [IFRS Transition Plan Taskforce \(TPT\) Disclosure Framework](#)), supporting domestic decarbonisation and adaptation, balancing ambition with flexibility, and "climate first but not only" (with a particular focus on the linkage between nature and climate).



The document outlines a draft transition planning cycle framework (based on a [TPT framework](#)), which is seen as a continuous cycle as follows:

- **Assess or reassess** – the board or designated committee should assess or reassess their current position (including any existing climate reporting and analysis of climate-related risks and opportunities) to inform the objectives, areas of focus and baseline reporting for the transition plan
- **Set ambition** – the organisation sets its strategic ambition for climate goals and contribution toward the transition to lower greenhouse gas emissions and a climate-resilient economy
- **Plan actions** – plan the actions necessary to deliver the set ambitions, including governance arrangements, and targets and metrics used to track progress
- **Implement** – establish arrangements to continue or start implementation, disclose the transition plan, monitor and report on progress, learn and reflect before re-assessing the entity's position and starting the cycle again.

In relation to the preparation of transition plans, the document adapts the three guiding principles in the IFRS TPT Disclosure Framework of "ambition", "action" and "accountability" into the following topics:

- **Foundations** – providing an overview of the organisation's strategic ambitions for responding to climate-related risks and opportunities, and mitigation and adaptation objectives – including climate change mitigation and adaptation ambitions, other strategic ambitions (including a "just transition"), business model and value change and key assumptions and external factors
- **Implementation strategy** – providing detail on the actions being taken within the organisation's operations, products and services, and policies to achieve its strategic ambition – including decarbonisation, adaptation and resilience and financial planning, considering taxonomy use and alignment and implications for other objectives (e.g. social, nature and circular economy)

- **Engagement strategy** – providing detail on how the organisation is engaging within its value chain and industry peers, as well as more broadly with government, communities (including First Nations peoples) and civil society in achieving its strategic ambitions
- **Metrics and targets** – providing detail on the metrics and targets it is using to drive and monitor progress towards the strategic ambitions – including how to set and express targets (recommending using accepted emissions accounting methodologies and science-based targets), the use of carbon credits and renewable energy certificates (noting entities should prioritise direct emission reductions), and tracking and reporting progress
- **Governance** – providing detail on how the transition plan is embedded within its governance structures and organisational arrangements – including board oversight and reporting, culture, incentives and remuneration and skills, competencies and training.

Throughout the document, there is strong linkage to international and domestic agreements, legislation and regulation and guidance materials. The appendix to the document provides a list of resources relating to climate-related transition planning materials, environmental and social materials, and materials relevant to the climate-related financial disclosures reporting regime.

Treasury is seeking feedback on the draft guidance by 24 September 2025 and expects to finalise the guidance by the end of 2025. At the date of finalisation of this publication (24 September 2025), the guidance has not been finalised.

B3 Greenwashing

B3.1 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.



B3.2 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 August 2024, ASIC released a [report](#) on its regulatory interventions made between 1 April 2023 and 30 June 2024 in relation to concerns about greenwashing claims, summarising its high-level findings, outlining its key recommendations and providing good practice examples identified from its surveillance activities.

During the period covered by the report, ASIC commenced two civil penalty proceedings, finalised one civil penalty, noted over \$11 million in civil penalties were imposed, issued eight infringement notices and obtained 37 corrective disclosure outcomes.

The report noted four broad areas of concern:

- Underlying investments that are inconsistent with disclosed ESG investment screens and investment policies
- Sustainability-related claims made without reasonable grounds
- Insufficient disclosure on the scope of ESG investment screens and investment methodologies
- Sustainability-related claims made without sufficient detail.

Whilst many of these concerns relate to investment managers, funds, super funds and similar entities, many of the examples related to broader considerations, such as entities claiming “net zero” or “carbon neutral” operations without support for that claim.

“Greenwashing can erode investor confidence in the market for sustainability-related products and poses a threat to a fair and efficient financial system”

ASIC Information Sheet 271

Furthermore, the report noted findings and recommendations from ASIC's range of surveillance activities focused on sustainability-related disclosure and governance practices of listed companies, managed funds and superannuation funds.

In relation to listed companies, ASIC identified common disclosure concerns, including:

- Inconsistent and interchangeable use of key terms in corporate disclosures such as “zero emissions”, “net zero emissions” and “carbon neutral”, noting that this practice does not support investor comprehension
- Key inputs, assumptions and contingencies used for climate-related statements were not always sufficiently disclosed
- Mixed practices in the approaches taken when accounting for carbon emissions, particularly when making climate-related claims
- Climate-related claims that were not appropriately framed or were afforded a level of prominence that did appear to align with the level of priority the company had placed on pursuing the climate target.

Some of the recommendations in relation to listed companies include:

- Any entity making voluntary climate-related disclosures about climate-related metrics and targets should consider and be informed by the disclosure requirements set out in Australian Sustainability Reporting Standards
- The disclosure requirements set out in Australian Sustainability Reporting Standards capture details that will assist investor decision making
- ASIC encourages entities to consider and be informed by the relevant paragraphs of the Australian Sustainability Reporting Standards, which contain the information required for an investor to understand and assess climate-related metrics and targets.

ASIC has secured additional funding in recent Federal Budgets to continue its focus on greenwashing.

Further, ASIC continues to recommend that entities consider the guidance in [ASIC 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”. Furthermore, in [Reporting and audit update – Issue 1](#), issued in August 2025, ASIC notes “[e]ntities making any kind of sustainability-related claim should consider the guidance set out in Information Sheet 271”.

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** – This factor focuses on investors fully understanding investment screens applied by issuers using clearly explained criteria and any exceptions and qualifications to those criteria. Whilst focused on funds, sustainability related decisions are incorporated into business investment decisions by many entities, e.g. financial institutions reducing exposure to certain high-intensity emission sectors, and similar concerns may arise
- **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.



Furthermore, ASIC notes in its [Corporate Plan 2025-2026](#) that it will “focus on greenwashing and complaints handling by insurers following severe weather events”.

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

B3.3 Greenwashing and sustainability reporting are linked

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

Entities that successfully implement a sustainability reporting framework such as Australian Sustainability Reporting Standards, should thereby typically avoid the risk of greenwashing, as the frameworks provide detail that address matters expected by investors and regulators alike. For instance, AASB S2 and the IFRS Sustainability Disclosure Standards on which AASB S2 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.

B3.4 Financial reporting considerations

ASIC notes that the Corporations Act has general prohibitions against false or misleading statements, or engaging in dishonest, misleading or deceptive conduct in relation to financial products and services. In particular, there is a risk of breaching the misleading statement prohibitions where statements and representations about future matters are not supported with reasonable grounds.

Inconsistencies between sustainability disclosures and financial reporting elevate the risk of greenwashing occurring and entities breaching these legal requirements. There should be consistency between sustainability disclosures and financial reporting to the extent possible.



Example

An entity announces an intention to replace equipment used in a manufacturing process with more energy efficient equipment to reduce greenhouse gas emissions.

This intention in itself would not have immediate direct financial reporting consequences. In other words, the replacement equipment would only be recognised as an asset once purchased or as it is constructed.

However, the intention to replace the equipment might have immediate indirect 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 recoverable amount models
- 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 potentially continuous disclosure considerations.

Recognising and disclosing these indirect financial reporting impacts adds support to an entity's announced intention and reduces the risk of greenwashing.

B4 Other developments

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

B4.1 International standard setters

B4.1.1 IASB near-final staff draft examples explaining how climate is taken into account in financial statements

Responding to investor and broader calls for more guidance on the impacts of climate-related risks on financial statements, in July 2024 the IASB issued an [exposure draft](#) that proposed eight illustrative examples providing guidance on how IFRS Accounting Standards are applied in response to climate-related and other uncertainties in financial statements.



As a result of its subsequent redeliberations, in July 2025, the IFRS Foundation released a [near-final staff draft](#) that contained six illustrative examples (removing one original example and combining two others). The IFRS Foundation's early publication of the near-final examples was designed to support timely and informed application of the examples and as such, formal feedback on the examples was not sought. The IASB expects to publish the final examples in October 2025.

The near-final staff draft includes the following illustrative examples:

Materiality judgements: additional disclosures (IAS 1/IFRS 18)

Scenario 1

A manufacturer operates in a capital-intensive industry, exposed to climate-related transition risks and has developed a climate-related transition plan involving future investments in more energy-efficient technology and changing raw materials and manufacturing methods.

Although, in the entity's circumstances, there are no impacts on the entity's financial position and financial performance, it nonetheless discloses that its transition plan has no effect, based on an assessment of qualitative factors that make this information likely to influence users' decision-making.

Scenario 2

A service provider operating in an industry with a low level of greenhouse gas emissions and limited exposure to climate-related transition risks and with low levels of greenhouse gas emissions.

In this scenario, no additional disclosures are made as the industry is known to have limited climate-related transition risks and the entity-specific disclosures are unlikely to influence users' decision-making.

Disclosure of assumptions: specific requirements (IAS 36)

An entity's operations have high greenhouse gas emissions and are subject to greenhouse gas emission regulations requiring the entity to acquire emission allowances for some of its emissions. Future emission allowance costs are a key assumption in the entity's impairment assessment.

The entity discloses information about key assumptions such as the future price of greenhouse gas emission allowances and the future scope of emissions regulations, its approach to the values assigned to those assumptions, and considers sensitivity analyses about those assumptions.

Disclosure of assumptions: general requirements (IAS 1/IAS 8)

An entity operating in a capital-intensive industry with an indication of impairment arising in the current reporting period. Although no impairment loss is recognised, some of the assumptions made in determining the relevant CGU's recoverable amount have a significant risk of resulting in a material adjustment to the carrying amount of the non-current assets within the next financial year. The entity discloses information about key assumptions and details of the nature and carrying amount of the relevant CGU's non-current assets.

Disclosure about credit risk (IFRS 7)

A financial institution providing a range of products to various customers, including loans to agricultural and corporate real estate customers exposed to climate-related risks. The entity considers what information to provide about the effects of climate-related risks on its exposure to credit risk on those two portfolios, including credit risk management practices, how the climate-related risks were incorporated into inputs, assumptions and estimation techniques used to determine expected credit losses, information about collateral, and concentrations of climate-related risks.

Disclosure of disaggregated information (IFRS 18)

An entity has long-life property, plant and equipment (PP&E) producing high amounts of greenhouse gas emissions and alternative PP&E with lower greenhouse gas emissions. Together these assets make up a large portion of the entity's total assets.

The entity concludes the two types of PP&E have significantly different vulnerabilities to climate-related transition risks and so have sufficiently dissimilar risk characteristics that requires the disaggregation of the two types of PP&E in the notes to the financial statements.

Disclosure about decommissioning and restoration provisions (IAS 37)

A manufacturer has plant decommissioning and site restoration obligations for its facilities. Due to an expectation of operating some of its facilities for an extremely long time, the present value of these obligations is immaterial. However, the costs to settle the obligations will be high and there is a significant and increasing risk that some facilities may be required to close earlier than expected. The entity would provide a description of the nature of the obligations and an indication of uncertainties about the amount or timing of outflows (including for example when the facility is expected to be closed).

The proposed examples would not change the requirements of IFRS Accounting Standards, but instead provide guidance on how IFRS Accounting Standards should be applied to climate-related risks and other uncertainties. Furthermore, the examples would not form a mandatory part of the IFRS Accounting Standards to which they relate, and accordingly will not have an effective date. Instead, entities will be entitled to sufficient time to implement any changes to the information disclosed in their financial statements as a result of the issuance of the illustrative examples.

The proposed examples may inform entity's decision making in relation to the disclosure of climate-related risks in financial statements in periods before any illustrative examples are formally published.

The issue of the exposure draft follows the finalisation of an [IFRIC agenda decision](#) earlier in 2024, which explores how IFRS Accounting Standards should be applied in the context of an entity's commitment to reduce greenhouse gas emissions.

Impacts of climate in financial statements

The draft examples published by the IASB reinforce that climate and other sustainability related aspects can impact accounting outcomes and/or necessitate disclosure under existing Australian Accounting Standards. In addition to the draft examples, there are many other climate-related considerations in financial reporting, including, for example:

- **Depreciation and amortisation** – Expected useful lives of assets may change as a result of identified sustainability-related risks and opportunities and the strategy put in place to address those risks and opportunities. For example, the useful life of plant and equipment may change where it is expected to be replaced with lower emission assets
- **Impairment** – Value in use calculations may have positive or negative future impacts due to the physical effects of climate change, related effects on regulation, technological developments and consumer preferences. Changes in market expectations and reputational risk may result in amended business models. These factors may change management cash flow projections or the level of risk associated with achieving cash flows. In addition, narrative disclosure in relation to how the entity's impairment testing has taken climate and other risks and opportunities into account should be considered, and may extend to scenario analysis and detailed discussions of assumptions
- **Fair values** – The requirements of AASB 13 *Fair Value Measurements* would include the consideration of climate risks and opportunities where relevant. For example, expected changes in consumer preferences or the risk of assets being stranded may change market pricing of assets
- **Provisions** – Anticipated climate responses may change the timing of outflows for decommissioning, make good and similar provisions. Changes in consumer preference or increased costs necessary to comply with climate regulatory requirements may lead to onerous contracts. The [IFRIC agenda decision](#) on climate-related commitments should also be considered (see section A3.3).

These impacts should be considered in financial reports prior to the implementation of climate reporting under Australian Sustainability Reporting Standards. In addition, disclosure of **key sources of estimation uncertainty** and **significant judgements** arising from climate may be necessary.

Once implemented, Australian Sustainability Reporting Standards contain further requirements for connected information, including across sustainability-related financial disclosures and other general purpose financial reports published by an entity, such as financial statements. Furthermore, data and assumptions used in preparing sustainability-related financial disclosures are required to be consistent, to the extent possible considering the requirements of Australian Accounting Standards, with the corresponding data and assumptions used in the related financial statements.

Entities disclosing climate-related risks in their OFRs (as recommended by ASIC) or voluntarily making climate and other disclosures elsewhere in their annual report, should consider the connectivity guidance in Australian Sustainability Reporting Standards in relation to those disclosures.

B4.1.2 International assurance standards on sustainability

In November 2024 the International Auditing and Assurance Standards Board (IAASB) published the final version of its [International Standard on Sustainability Assurance \(ISSA\) 5000 General Requirements for Sustainability Assurance Engagements](#).

The standard will serve as a comprehensive, stand-alone standard suitable for any sustainability assurance engagements, including limited and reasonable assurance engagements. The standard applies to sustainability information reported across any sustainability topic and prepared under multiple frameworks.

In January 2025 the AUASB issued an equivalent pronouncement, [ASSA 5000 General Requirements for Sustainability Assurance Engagements](#), which applies from 1 January 2025 (subject to certain transitional provisions) (see section B2.1.5).



B4.2 Other sustainability reporting frameworks

B4.2.1 Global Reporting Initiative (GRI)

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 June 2025, GRI [issued](#) updated GRI 101 *Climate Change 2025* and GRI 103 *Energy 2025*, which are effective for reports and other materials published on or after 1 January 2027. These topic standards have been updated to reflect recent developments and relevant authoritative intergovernmental instruments in the field of climate change, greenhouse gas emissions and energy.

During 2025, the GRI also issued exposure draft proposals on:

- [Labour](#)
- [Sector standards for financial services](#)
- [Clarity and coherence amendments across all sector standards](#)
- [Sector standards for textiles and apparel](#).

At the date of finalisation of this document (24 September 2025), finalised standards had not been made.

B4.2.2 Nature-related financial disclosures

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 at that time²⁹) have committed to start making nature-related disclosures based on the [TNFD Recommendations](#) published in September 2023.

In April 2025, the IFRS Foundation and TNFD [announced](#) the signing of a Memorandum of Understanding (MOU) signalling both parties' commitment to build upon the TNFD recommendations in the ongoing work of the ISSB, to enable nature-related financial disclosures for use by capital markets. Under the MOU, the ISSB will consider the relevance of the TNFD recommendations in meeting the needs of global capital markets. Furthermore, the ISSB and TNFD will share research, knowledge and technical expertise to inform both the ISSB's biodiversity, ecosystems and ecosystem services (BEES) project and nature-related aspects of its project to enhance the SASB Standards (see also section B1.4.2).

For more information, see [IGAAP in Focus Sustainability reporting: TNFD publishes final recommendations for nature-related risk management and disclosure](#).



²⁹ In October 2024, the TNFD [announced](#) that the total number of Australian companies and financial institutions committed to getting started with voluntary reporting of their nature-related issues in line with the TNFD recommendations stood at 23.

B4.3 Global sustainability reporting requirements that may apply to Australian entities

B4.3.1 New Zealand

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 November 2024, the XRB finalised [amendments](#) that extended the transitional provisions related to the presentation and assurance of scope 3 greenhouse gas emissions under the [Aotearoa New Zealand Climate Standards](#). In addition, in December 2024, the New Zealand Ministry of Business, Innovation, and Employment sought [public feedback](#) on potential adjustments to the climate-related disclosures regime in New Zealand. Comments closed on 14 February 2025 and as at the date of finalisation of this publication (24 September 2025), no legislative changes have been made.

B4.3.2 Europe

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, as originally implemented, applied 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.

Recent developments

In February 2025, the European Commission [published](#) several pieces of proposed legislation ("omnibus proposal") that aim to reduce significantly the sustainability and due diligence reporting burden for entities. In late March 2025, the European Commission (EC) [directed](#) the EFRAG Sustainability Reporting Board (SRB) with the simplification of the ESRS.

In April 2025, the European Parliament voted to [approve](#) the "stop-the-clock" proposals of the European Commission (EC) to postpone the application of the



Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) for certain entities.

On 31 July 2025, the EFRAG SRB [published](#) revised and simplified exposure drafts of the ESRS with a 60 day comment period closing on 29 September 2025.

For more information, see:

- [iGAAP in Focus](#) *Worldwide reach of the Corporate Sustainability Reporting Directive* (updated February 2025)
- [iGAAP in Focus](#) *EFRAG proposes revised European Sustainability Reporting Standards*
- [iGAAP in Focus](#) *EU Commission proposes significant reduction in sustainability and due diligence reporting requirements*
- [iGAAP in Focus](#) *EU Commission announces far-reaching simplification in the fields of sustainability reporting, due diligence and taxonomy*
- [iGAAP in Focus](#) *Fair presentation under the Corporate Sustainability Reporting Directive (CSRD)*
- [iGAAP in Focus](#) *EFRAG proposes ESRS for listed small- and medium-sized enterprises*
- [iGAAP in Focus](#) *European Sustainability Reporting Standards finalised.*

B4.3.3 California

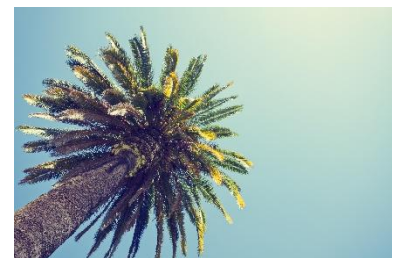
In October 2023, new Californian legislation was signed into law which may impact entities with United States incorporated subsidiaries that have operations in the state of California.

Under bill [SB-253](#) *Climate Corporate Data Accountability Act*, 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* will require entities with more than US\$500 million in revenue to prepare a climate-related financial risk report on a biennial basis from 2026.

On 27 September 2024, California Governor Gavin Newsom signed into law California state senate bill [SB-219](#) *Greenhouse gases: climate corporate accountability: climate-related financial risk*, which amends portions of Sections 38532 and 38533 of the California Health and Safety Code that were established upon the passage of California state senate bills SB-253 and SB-261. Bill SB-219 does not delay the reporting deadlines under SB-253 or SB-261.

For more information, see:

- [iGAAP in Focus](#) *California Climate Legislation—Reporting deadlines remain unchanged under new senate bill*
- [iGAAP in Focus](#) *Sustainability reporting: California Climate Legislation*
- [Heads Up](#) *#DeloitteESGNow – The Sweeping Impacts of California's Climate Legislation.*



B4.3.4 United States

In March 2024, the United States Securities and Exchange Commission (SEC) released final rules to implement mandatory climate-related risk disclosures for SEC registrants.

The rules 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).

The new rules were due to be phased in from 2025 to 2033. 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.

In March 2025, the SEC [voted](#) to end its defence of the rules and in July 2025 issued a [status report](#) in relation to a court request noting it “does not intend to review or reconsider the Rules at this time” and that “the Commission respectfully requests that the Court terminate the abeyance, continue considering the parties’ arguments, and exercise its jurisdiction to decide the case”.

Subsequently, United States State intervenors [filed a response](#) to the SEC's status report asking the court to continue to hold the case in abeyance until the SEC “clearly indicates what it intends to do with the Rules, including whether it will rescind the Rules if the Court upholds them”.

On 12 September 2025, the court [ordered](#) that the petitions challenging the SEC rules be held in abeyance until the SEC either reconsiders the rules through a notice-and-comment rulemaking or renews its defence of the rules.

For more information, see:

- [iGAAP in Focus](#) SEC adopts rule that requires climate-related disclosures
- [Heads Up](#) Comprehensive analysis of the SEC's landmark climate disclosure rule.



C. 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
C1 Overall considerations	A summary of the impacts of adopting new and revised pronouncements, and disclosing information about pronouncements not yet adopted
C2 Summary of new and amended pronouncements	An overview of new and revised accounting pronouncements, classified into those mandatory at 31 December 2025, and those that apply in future periods, grouped as follows: - Financial reporting pronouncements effective for the first-time for 31 December 2025 financial years - Financial reporting pronouncements effective for the first-time for 31 December 2025 half-years - Financial reporting pronouncements not yet effective for financial years ending 31 December 2025 - Sustainability reporting pronouncements effective for financial years ending 31 December 2025 - IFRS Interpretations Committee agenda decisions - Transition implementation group on IFRS S1 and IFRS S2 agenda items - Legislative developments - ASIC - ASX.

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 31 December 2025 (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 31 December 2025.

C1 Overall considerations



Impacts of Australian Sustainability Reporting Standards

The information in this section relates to new Australian Accounting Standards (and where applicable, IFRS Accounting Standards), rather than Australian Sustainability Reporting Standards or IFRS Sustainability Disclosure Standards. Accordingly, the information in sections C1.1, C1.2 and C1.3 should not be read as applying to Australian Sustainability Reporting Standards where they are adopted in the current period (for “Group 1” entities) or will be applicable in future periods (for “Group 2” and “Group 3” entities).

“Group 1” entities preparing their first sustainability report should refer to the guidance in Section E. In addition, “Group 1”, “Group 2” and “Group 3” entities should refer to *Considering Australian Sustainability Reporting Standards in the disclosures about Standards effective for the current year or not yet effective* on page 246.

C1.1 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
Updates to accounting policies	The terminology and substance of accounting policies may need to be updated to reflect new requirements.
Impact of transitional provisions	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.
Disclosures about changes in accounting policies	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.
Third statement of financial position	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 the retrospective application of an accounting policy has a material effect on the statement of financial position at the beginning of the preceding period.
Earnings per share (EPS)	Where applicable to the entity, AASB 133 <i>Earnings Per Share</i> requires basic and diluted earnings per share (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.

C1.2 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 4 in Note 2 (starting on page 248).

C1.3 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).

C2 Summary of new and amended pronouncements

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

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

C2.1 Financial reporting pronouncements effective for the first-time for 31 December 2025 financial years

The table below summarises the new and amended financial reporting requirements that must be applied for the first time for financial years ending 31 December 2025.

	See Appendix 5 for a summary of each pronouncement and Appendix 4 (starting on page 247) for illustrative disclosures
Pronouncement Change	
Applicable to all annual financial statements ³⁰	
AASB 1/AASB 121/	Lack of exchangeability (AASB 2023-5) (summary)
AASB 1060	
	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 C2.5. All agenda decisions are available on the IFRS website .

³⁰ In addition to the list in the table AASB 2024-4 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128* is effective from annual periods beginning on or after 1 January 2025. The amendments defer the application date of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2028 instead of 1 January 2025. For more details see summary of AASB 2014-10 in Appendix 5 on page 294.

C2.2 Financial reporting pronouncements effective for the first-time for 31 December 2025 half-years

The table below summarises the new and amended financial reporting requirements that must be applied for the first time for half-years ending 31 December 2025.

	See Appendix 5for a summary of each pronouncement and Appendix 4 (starting on page 247) for illustrative disclosures
Pronouncement	Change
Applicable to all half-year financial statements	
AASB 1/AASB 121/ AASB 1060	Lack of exchangeability (AASB 2023-5) (summary)
	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 C2.5. All agenda decisions are available on the IFRS website .

C2.3 Financial reporting pronouncements not yet effective for financial years ending 31 December 2025

The table below summarises the new and amended financial reporting requirements that are not effective for financial years ending 31 December 2025. See [Appendix 5](#) for a summary of each pronouncement and Appendix 4 (starting on page 248) for illustrative disclosures.

Pronouncement	Change
1 January 2026	
AASB 9/AASB 7	Classification and measurement of financial instruments (AASB 2024-2) (summary)
AASB 9/AASB 7	Contracts referencing nature-dependent electricity (AASB 2025-1) (summary)
AASB 1/AASB 7/ AASB 9/AASB 10/ AASB 107	Annual improvements Volume 11 (AASB 2024-3) (summary)
AASB 1060	Classification and measurement of financial instruments: Tier 2 disclosures (AASB 2025-2) (summary)
AASB 1060	Contracts referencing nature-dependent electricity: Tier 2 disclosures (AASB 2025-3) (summary)
1 July 2026 (public sector)	
AASB 17/AASB 1050	Insurance contracts in the public sector (AASB 2022-8 and AASB 2022-9) (summary)
1 January 2027 (for-profit entities)	
AASB 18	Presentation and disclosure in financial statements (summary)
1 January 2028	
AASB 10/AASB 128	Sale or contribution of assets between an Investor and its associate or joint venture (AASB 2014-10 and related amendments) (summary)
AASB 18 ³¹	Presentation and disclosure in financial statements (superannuation entities) (summary)
AASB 18 ³¹	Presentation and disclosure in financial statements (not-for-profit entities) (summary)

C2.4 Sustainability reporting pronouncements effective for financial years ending 31 December 2025

The table below summarises the new and amended sustainability reporting requirements that are effective for financial years ending 31 December 2025. See sections 35.4 in [Appendix 5](#) and B1.1 for a summary of each pronouncement and see *Considering Australian Sustainability Reporting Standards in the disclosures about Standards effective for the current year or not yet effective* on page 246 for information about disclosures about sustainability standards in financial statements and elsewhere in the annual report.

Pronouncement	Topic
AASB S1	General requirements for disclosure of sustainability-related financial information (voluntary) (summary)
AASB S2	Climate-related disclosures (summary)

³¹ For not-for-profit private sector entities, not-for-profit public sector entities and superannuation entities applying AASB 1056, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028. Earlier application is also permitted for these entities. This delayed date is to allow the AASB to consult with stakeholders to assess whether AASB 18 should be amended for application by these entities.

C2.5 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 January 2024, 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 IFRS Foundation website. The Interpretations Committee has also released twelve volumes of its *Compilation of agenda decisions*, covering all agenda decisions from January 2019 to April 2025. The documents are available at www.ifrs.org.

Tentative agenda decisions are available at www.ifrs.org.

Pronouncement	Agenda decision topic	Month finalised	More information
IFRS 3 Business Combinations	Payments contingent on continued employment during handover periods	April 2024	Agenda decision
IFRS 8 Operating Segments	Disclosure of revenues and expenses for reportable segments	July 2024	Agenda decision
IFRS 9 Financial Instruments	Guarantees issued on obligations of other entities	April 2025	Agenda decision
IFRS 15 Revenue from Contracts with Customers	Recognition of revenue from tuition fees	April 2025	Agenda decision
IFRS 17 Insurance Contracts	Guarantees issued on obligations of other entities	April 2025	Agenda decision
IAS 7 Statement of Cash Flows	Classification of cash flows related to variation margin calls on 'collateralised-to-market' contracts	February 2025	Agenda decision
IAS 27 Separate Financial Statements	Merger between a parent and its subsidiary in separate financial statements	January 2024	Agenda decision
IAS 29 Financial Reporting in Hyperinflationary Economies	Assessing indicators of hyperinflationary economies	July 2025	Agenda decision
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	Climate-related commitments	April 2024	Agenda decision
IAS 38 Intangible Assets	Recognition of intangible assets from climate-related expenditure	April 2025	Agenda decision

C2.6 Transition implementation group on IFRS S1 and IFRS S2 agenda items

The Transition Implementation Group on IFRS S1 and IFRS S2 (TIG) was established in 2023 shortly after the International Sustainability Standards Board issued its first sustainability disclosure standards. The purpose of the TIG is to support implementation of IFRS S1 and IFRS S2 by providing a public forum for any stakeholder to share implementation questions with the ISSB and to follow the discussion of those questions. These discussions will help the ISSB to determine what, if any, action will be needed to address those issues. Possible actions include providing supporting materials, such as webinars, case studies and other educational materials.

The TIG comprises 17 members, including preparers, assurance providers and official observers from different jurisdictions. The TIG periodically meets in public to discuss submitted questions. During these meeting the TIG members share their views on the issue, and meeting agendas and discussion summaries are posted on the TIG dedicated page on IFRS Foundation website. Though the TIG does not make formal decision or provide authoritative guidance as a result of these discussions, discussion summaries may provide valuable insights and additional information for the entities in the course of the implementation of sustainability disclosure standards and the preparation of a sustainability report.

The table below outlines the agenda items discussed by the TIG from its first meeting to the date of finalising this publication (24 September 2025). The agenda papers and meeting summaries are available at www.ifrs.org.

Discussion topic	Meeting date	Paper reference
Application of paragraph 29(b)-(c) of IFRS S2, using ISSB Standards and related materials	15 March 2024	AP1
Revision of preceding period estimated amounts	15 March 2024	AP2
Revision of preceding period estimated amounts when estimating information from an entity in the value chain	13 June 2024	AP1
Application of the requirements on comparative information when acquiring or disposing of a subsidiary	13 June 2024	AP2
Identification of sustainability-related risks and consideration of risk mitigation activities	19 September 2024	AP2
Application of the jurisdictional relief to part of a reporting entity	19 September 2024	AP3
Scope 3 Category 15 GHG emissions related to financial activities and asset classes that are not explicitly referenced in IFRS S2	19 September 2024	AP4
Use of GWP values from the latest IPCC assessment when a jurisdictional authority mandates the use of a different GWP value	19 September 2024	AP5

C2.7 Legislative 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 31 December 2025 reporting period or which are effective in future periods.

Development	When effective
<i>Treasury Laws Amendment (2023 Measures No. 1) Act 2023</i> Amends the following: <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.	28 November 2023
<i>Treasury Laws Amendment (Making Multinationals Pay Their Fair Share—Integrity and Transparency) Act 2024</i> Amends the following: <i>Income Tax Assessment Act 1936</i>, <i>Income Tax Assessment Act 1997</i> and <i>Taxation Administration Act 1953</i> 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 rule on page A-17 for more information.	1 July 2023
<i>Treasury Laws Amendment (Tax Accountability and Fairness) Act 2023</i> Amends <i>Petroleum Resource Rent Tax Assessment Act 1987</i> to limit the proportion of petroleum resource rent tax assessable income that can be offset by deductions to 90 per cent. See section A4.1.3 for more information on Petroleum Resource Rent Tax.	1 July 2023
<i>Treasury Laws Amendment (Delivering Better Financial Outcomes and Other Measures) Act 2024</i> Amends the following: <i>Superannuation Industry (Supervision) Act 1993</i> to clarify reporting obligations of trustee of superannuation entities upon establishment of the entity or upon request for certain information by the Regulator or an authorised person amendments to Treasury portfolio legislation <i>Petroleum Resource Rent Tax Assessment Act 1987</i> to align the petroleum resource rent tax general anti-avoidance provisions with the general anti-avoidance provisions in the <i>Income Tax Assessment Act 1936</i> and clarify the meaning of "exploration for petroleum".	10 July 2024 1 October 2024

Development	When effective
Payment Times Reporting Amendment Act 2024 The amendments seek to improve the operation of the Payment Times Reporting Scheme (Scheme) to influence large businesses to improve their payment practices in dealing with small businesses, including: - Expanded and revised objects of the Act to better express the purpose of the Scheme - Clearer and more effective criteria and processes for entry and exit of the Scheme for reporting entities, including assessing a threshold based on consolidated revenue determined in accordance with Australian Accounting Standards - Allowing the controlling entity in a consolidated group determined based on Australian Accounting Standards to provide a single payment times report for the group or to have certain entities within the group report individually - Allowing entities to apply to the Payment Times Reporting Regulator (Regulator) to be exempt from their obligation to provide reports under the Act - Introducing a power for the Minister to request an entity that is amongst the slowest payers to small businesses to publish on their website and other documentation that they are a slow small business payer - Additional functions for the Regulator to research and publish analysis relating to payment terms, times and practices, including a list of fast small business payers - Improved compliance and enforcement mechanisms. See <i>Payment Times Reporting Scheme reform</i> on page A-19 for more information.	1 July 2024³²
Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 Amends <i>Australian Securities and Investments Commission Act 2001</i> and <i>Corporations Act 2001</i> to introduce new climate-related financial reporting requirements for entities: - Requires most entities reporting under Chapter 2M of the <i>Corporations Act</i> to prepare a sustainability report (phased in over a number of years starting from 2025 based on entity size and type) - Extends record keeping requirements to sustainability records - Requires high (2.5°C or more) and low (1.5°C) scenario analyses as a minimum - Implements requirements for audit and auditor's reports in relation to the sustainability report - Permits the AASB to make mandatory sustainability standards for the purposes of the sustainability report under the <i>Corporations Act</i>. See section B2.1 for more information.	18 September 2024

³² 1 July 2024 is set as a transition date operates as a point in time where entities will transition from reporting obligations under the framework of the old Act to new reporting obligations. The Act includes transitional provisions which apply differently for different entities depending on the reporting period.

Development	When effective
<i>Taxation (Multinational—Global and Domestic Minimum Tax) Act 2024, Taxation (Multinational—Global and Domestic Minimum Tax) Imposition Act 2024, Treasury Laws Amendment (Multinational—Global and Domestic Minimum Tax) (Consequential) Act 2024 and Taxation (Multinational—Global and Domestic Minimum Tax) Rules 2024</i> The bills form the primary legislation implementing the Pillar Two regime: • <i>Taxation (Multinational—Global and Domestic Minimum Tax) Act 2024</i> establishes a taxation framework to implement the Global Anti-Base Erosion (GloBE) Rules (which ensure that multinational enterprises pay a minimum level of tax on the income arising in each of the jurisdictions in which they operate) and an Australian domestic minimum tax for certain multinational enterprise groups with an annual global revenue of at least EUR 750 million • <i>Taxation (Multinational—Global and Domestic Minimum Tax) Imposition Act 2024</i> imposes global and domestic minimum taxes in respect of profits of multinational enterprises that have been undertaxed • <i>Treasury Laws Amendment (Multinational—Global and Domestic Minimum Tax) (Consequential) Act 2024</i> amends 5 Acts to make amendments consequential on the introduction of global and domestic minimum taxes in Australia, including amendments to ensure that the taxes interact appropriately with existing Australian taxation laws. Whilst the primary legislation establishes a framework to apply top-up tax, <i>Taxation (Multinational—Global and Domestic Minimum Tax) Rules 2024</i> form the subordinate legislation and include the detailed calculations required to arrive at a liability to top-up tax, including: • Computing and allocating GloBE Income or Loss • Computing and allocating Adjusted Covered Taxes • Application to investment and Tax Transparent Entities • Safe harbour provisions • Transitional provisions for multinational enterprises. See section A3.1 for more information.	1 January 2024
<i>Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Act 2024</i> Introduced with the <i>Capital Works (Build to Rent Misuse Tax) Bill 2024</i>, the Bill amends the following: • <i>Income Tax Assessment Act 1936, Income Tax Assessment Act 1997 and Taxation Administration Act 1953</i> to provide incentives for investors to support the construction of new build to rent developments by increasing the capital works deduction rate to 4 per cent per year and reducing the final withholding tax rate on eligible fund payments from eligible managed investment trust investments to 15 per cent. See section A4.1.6 for more information • <i>Taxation Administration Act 1953</i> to impose a new country by country reporting obligation on certain large multinational enterprises. See section A4.1.5 for more information.	1 January 2025 1 January 2025
<i>Taxation Administration (Country by Country Reporting Jurisdictions) Determination 2024</i> Under sections 3D and 3DA of the <i>Taxation Administration Act 1953</i>, certain large multinational enterprises (defined as CbC reporting parents) are required to publish selected tax information on a country-by-country (CbC) basis for specified jurisdictions, and on either a CbC basis or an aggregated basis for the rest of the world. Taxation Administration (Country by Country Reporting Jurisdictions) Determination specifies the jurisdictions for which the CbC reporting parent must publish selected tax information on a CbC basis, if the CbC reporting group operates in that jurisdiction. See section A4.1.5 for more information.	18 December 2024

Development	When effective
<i>Future Made in Australia (Production Tax Credits and Other Measures) Act 2025</i> Introduces the following tax incentives: - A hydrogen production tax offset, a refundable tax offset that is available at a rate of \$2 for a kilogram of eligible hydrogen for companies that satisfy the eligibility requirements in relation to hydrogen produced in income years starting on or after 1 July 2027 and before 1 July 2040 - A critical minerals production tax incentive, in the form of a new refundable tax offset, to support the processing of critical minerals in Australia. The incentive applies to expenditure incurred in income years starting on or after 1 July 2027 and before 1 July 2040. See section A4.1.6 for more information.	1 July 2027
<i>Treasury Laws Amendment (Fairer for Families and Farmers and Other Measures) Act 2024</i> Amends the following: <i>Australian Securities and Investments Commission Act 2001</i> and <i>Corporate Collective Investment Vehicle Framework and Other Measures Act 2002</i> to facilitate the return of responsibility and resources for administering Commonwealth business registers from the Australian Taxation Office to the Australian Securities and Investments Commission, in winding up the Modernising Business Registers Program <i>Corporations Act 2001</i> to clarify the disclosure requirements for the consolidated entity disclosure statement and explain when consolidated trusts and partnerships are considered tax resident in Australia. See section A4.3 for more information.	31 December 2024 1 July 2024
<i>Treasury Laws Amendment (Tax Incentive and Integrity) Act 2025</i> Amends the following: <i>Income Tax Assessment Act 1997</i> to remove income tax deductions for amounts of general interest charge and shortfall interest charge, incurred in income years starting on or after 1 July 2025 <i>Income Tax (Transitional Provisions) Act 1997</i> to extend the \$20,000 instant asset write-off by 12 months until 30 June 2025. See section A4.1.6 for more information.	1 April 2025 1 April 2025

C2.8 ASIC



ASIC regulatory simplification

On 3 September 2025, ASIC released a new [report](#) on regulatory simplification, which outlines ASIC's progress on simplification in the way ASIC administers the law in areas where it regulates and seeking input on further initiatives.

The report's release was foreshadowed in ASIC's [Corporate Plan 2025-26](#), which includes an emphasis on simpler and better regulation, with ASIC considering the best approach is "to attack a clearly identified group of specific problems".

From a corporate reporting perspective, the report proposes:

- To improve access to regulatory information by improving the ASIC website (already actioned), reviewing the approach to regulatory guidance (noting it is targeted at technical users, dispersed across a range of documents, inconsistently named, unclear and does not address small-business needs) and introducing sector-based regulatory roadmaps
- To reduce complexity in regulatory documents by simplifying and consolidating legislative instruments using best-practice drafting principles, including two pilots of consolidating and streamlining legislative instruments (21 identified Corporations Instruments related to financial reporting, accounting and audit and two instruments related to investor directed portfolio services (IDPS) and IDPS-like schemes).

Feedback is requested by 15 October 2025. At the date of finalisation of this document (24 September 2025), the consolidated Corporations Instrument and updated guidance had not been issued.

Implications for annual reports at 31 December 2025

In the event the proposals are finalised in their current form, the citations of financial reporting-related instruments in the annual report will need to be updated to refer to the new consolidated Corporations Instrument from the date it is effective (if prior to 31 December 2025). The citation of the instrument may need to reference the specific section of the consolidated Corporations Instrument because different parts of the proposed instrument refer to different types of entities.

For example, in the event the proposals are finalised in their [current form](#), the information about rounding would be similar to the following:

The *[company/disclosing entity/registrable superannuation entity]* is an entity of a kind referred to in **section [9] of ASIC Corporations (Financial Reporting, Accounting and Audit) Instrument 2025/XXX³³** and in accordance with that Corporations Instrument amounts the *[directors' report/financial report]* are rounded off to the nearest *[dollar / thousand dollars / hundred thousand dollars / million dollars]*, unless otherwise indicated.

[ASIC regulatory tracker](#) lists and includes links to all new and updated regulatory guides, information sheets, reports and consultation papers issued by ASIC. It 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.

³³ The name and number of the final Corporations Instrument should be used.

The tables below outline financial reporting related ASIC instruments, regulatory guides and other guidance which have been issued, updated or effective since 1 January 2025. Links are to the ASIC website, or www.legislation.gov.au.

C2.8.1 ASIC pronouncements

Document	Effective date	Link to document
ASIC Corporations (Amendment) Instrument 2025/164 Amends: - ASIC Corporations (Financial Reporting by Stapled Entities) Instrument 2023/673 to enable stapled entities relying on the relief in that instrument to prepare a sustainability report on behalf of the stapled group - ASIC Corporations (Electronic Lodgment of Financial Reports) Instrument 2016/181 to permit the electronic lodgement of the sustainability report.	31 March 2025	ASIC-CI-2025/164 ASIC-CI-2023/673 ASIC-CI-2016/181
ASIC Corporations (Amendment) Instrument 2024/806 Amends ASIC Corporations (Externally-Administered Bodies) Instrument 2015/251 and ASIC Corporations (Group Purchasing Bodies) Instrument 2018/751 to take account of the establishment of the Administrative Review Tribunal (ART) by the Administrative Review Tribunal Act 2024 and the abolition of the Administrative Appeals Tribunal (AAT) by the Administrative Review Tribunal (Consequential and Transitional Provisions No. 1) Act 2024.	14 October 2024	ASIC-CI-2024/142 ASIC-CI-2015/251 ASIC-CI-2018/751
ASIC Corporations (Amendment and Repeal) Instrument 2024/229 Repeals ASIC Corporations (Extended Reporting and Lodgment Deadlines - Unlisted Entities) Instrument 2020/395 and ASIC Corporations (Extended Reporting and Lodgment Deadlines - Listed Entities) Instrument 2020/451 – both Instruments gave temporary financial reporting relief applied to financial years ending in 2021 and 2022 because of the impacts of COVID. That temporary relief has no ongoing effect.	14 May 2024	ASIC-CI-2024/229 ASIC-CI-2020/395 ASIC-CI-2020/451
ASIC Corporations (Amendment) Instrument 2024/187 Extends the application of the following instruments for a further five year period: - 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 Code of Ethics for Professional Accountants (including Independence Standards). This instrument is now effective until 30 April 2029 - 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. 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. For more information see ASIC news ASIC extends and amends parent entity financial statement and auditor independence instruments.	22 March 2024	ASIC-CI-2024/187 ASIC-CI-2021/195 ASIC-CI-2021/75

Document	Effective date	Link to document
ASIC Corporations (Amendment) Instrument 2023/142 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: <i>ASIC Corporations (Post Balance Date Reporting) Instrument 2015/842</i> 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 <i>ASIC Corporations (Disclosing Entities) Instrument 2016/190</i> 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 <i>ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191</i> Permits rounding off in the directors' report and financial report to the nearest dollar, thousand dollars, hundred thousand dollars or million dollars depending on the total (consolidated) assets of an entity and specific requirement of Australian Accounting Standards.	5 January 2024	ASIC-CI-2023/142 ASIC-CI-2015/842 ASIC-CI-2016/190 ASIC-CI-2016/191
ASIC Corporations (Non-Reporting Entities) Instrument 2025/436 Allows non-reporting entities to prepare their financial statements using the concessions and transitional provisions for recognition and measurement in accounting standards which apply to reporting entities. This instrument replaces <i>ASIC Corporations (Non-Reporting Entities) Instrument 2015/841</i> which was due to sunset on 1 October 2025.	25 September 2025	ASIC-CI-2025/436
ASIC Corporations (Post Balance Date Reporting) Instrument 2025/437 Allows entities to disclose a balance sheet showing the financial effect of significant acquisitions or disposals after the balance date in the notes to the financial statements. This instrument replaces <i>ASIC Corporations (Post Balance Date Reporting) Instrument 2015/842</i> which was due to sunset on 1 October 2025.	25 September 2025	ASIC-CI-2025/437
ASIC Corporations (Related Scheme Reports) Instrument 2025/438 Enables financial statements for related registered schemes to be presented in a single financial report. This instrument replaces <i>ASIC Corporations (Related Scheme Reports) Instrument 2015/839</i> which was due to sunset on 1 October 2025.	25 September 2025	ASIC-CI-2025/438
ASIC Corporations (Stapled Group Reports) Instrument 2025/439 Enables financial statements for stapled groups to be presented in a single financial report. This instrument replaces <i>ASIC Corporations (Stapled Group Reports) Instrument 2015/838</i> which was due to sunset on 1 October 2025.	25 September 2025	ASIC-CI-2025/439

Document	Effective date	Link to document
ASIC Corporations (Externally-Administered Bodies) Instrument 2025/584 Temporarily relieves entities under external administration from certain financial reporting and annual general meeting (AGM) obligations imposed by the Corporations Act. The instrument also provides more extensive financial reporting relief for entities that are being wound-up. This instrument replaces <i>ASIC Corporations (Externally-Administered Bodies) Instrument 2015/251</i> which was due to sunset on 1 October 2025.	25 September 2025	ASIC-CI-2025/584
ASIC Corporations (Repeal) Instrument 2025/440 Repeals five financial reporting-related legislative instruments: • <i>ASIC Corporations (Stapled Group Reports) Instrument 2015/838</i> • <i>ASIC Corporations (Related Scheme Reports) Instrument 2015/839</i> • <i>ASIC Corporations (Non-Reporting Entities) Instrument 2015/841</i> • <i>ASIC Corporations (Post Balance Date Reporting) Instrument 2015/842</i> • <i>ASIC Corporations (Externally-Administered Bodies) Instrument 2015/251</i>. Each of these instruments were due to sunset on 1 October 2025 and have been replaced with equivalent instruments.	25 September 2025	ASIC-CI-2025/440

C2.8.2 ASIC regulatory guides

Document	Date of issue	Link to document
ASIC Regulatory Guide 138 Foreign passport funds The guide is for foreign passport fund operators seeking to enter, or operating in, Australia under the Asia Region Funds Passport—a multilaterally agreed framework to facilitate the cross-border marketing of managed funds across participating economies in the Asia region. The guide explains ASIC's approach as a host regulator to the regulation of foreign passport funds in Australia, including: • The entry requirements to become a "notified foreign passport fund" • Ongoing requirements for notified foreign passport funds • The process for removing notified foreign passport funds (denotification). • ASIC's powers and responsibilities in relation to notified foreign passport funds and their operators, including discretionary powers to grant exemptions and modifications to the <i>Corporations (Passport) Rules 2018</i> (Australian Passport Rules).	21 November 2024	RG 138
ASIC Regulatory Guide 108 No-action letters This guide is for persons (and their professional advisers) who want to ask the Australian Securities and Investments Commission (ASIC) for a no-action letter (including a class no-action position). It explains how to make an application for a no-action letter (including a class no-action position) and sets out the factors ASIC considers when dealing with such applications.	13 February 2025	RG 108

Document	Date of issue	Link to document
ASIC Regulatory Guide 51 Applications for relief This guide is for applicants and advisers who are making an application for relief under relevant provisions of legislation ASIC administers. It sets out ASIC's general approach to granting relief, the requirements and process for making relief applications, and how ASIC charges fees for such applications. The examples used in this guide refer to powers commonly exercised by ASIC; however, the principles apply to ASIC's discretionary powers generally.	13 February 2025	RG 51
ASIC Regulatory Guide 280 Sustainability reporting This guide is for entities required to prepare a sustainability report under the Corporations Act. It includes guidance on numerous matters, including: • Which entities must prepare a sustainability report under the Corporations Act, including guidance on how assets, revenues and employees are determined for the purpose of threshold tests • The required content of the sustainability report, including new guidance on statutory requirements for climate-related scenario analyses and scope 3 emissions • Sustainability-related financial information disclosed outside the sustainability report, including operating and financial reviews, prospectuses and product disclosure statements • ASIC's administration of the sustainability reporting requirements, including ASIC's approach to sustainability reporting and audit relief. For more information, see section B2.3 and section E.	31 March 2025	RG 280
ASIC Regulatory Guide 34 Auditor obligations: Reporting to ASIC (updated) It gives guidance on auditors' obligations to report to ASIC: • Contraventions and suspected contraventions under s.311, 601HG, 990K and 1226H of the Corporations Act and s.104 of the <i>National Consumer Credit Protection Act 2009</i> (National Credit Act) • Attempts to unduly influence, interfere, or mislead the auditor under s.311, 601HG, 990K and 1226H of the Corporations Act and s.104 of the National Credit Act • Conflict of interest situations and circumstances involving relevant relationships as part of an auditor's independence obligations under s.324CA–CC and s.324CE–CG of the Corporations Act • The auditor's own contraventions and suspected contraventions under s.311, 601HG and 1226H of the Corporations Act. This guide also provides guidance about lodging auditor notifications under these reporting obligations, how qualified privilege operates, and what happens when auditors do not meet their reporting obligations. The reissued regulatory guide consolidates and simplifies guidance on auditor breach notification and contravention reporting obligations to ASIC as well as reflecting changes to the law.	18 September 2025	RG 34

C2.8.3 Other ASIC information

Document	Effective date	Link to document
ASIC Information Sheet 284 <i>Public companies must include a consolidated entity disclosure statement in their annual financial report</i> Provides guidance for preparers of financial reports to ensure that consolidated entity disclosure statements (CEDS) comply with the requirements of the Corporations Act and are consistent with the policy intent of the legislation. The information sheet provides guidance on current developments and outlines what public company need to be aware of when preparing their consolidated entity disclosure statement. It covers the following topics: - Reporting requirements under the Corporations Act, noting the CEDS is a separate statement and does not form part of the notes to the financial statements - Tax residence, including Treasury's media release confirming that if entities may determine tax residency in good faith and in accordance with the Commissioner of Taxation's public guidance, may declare that the tax residency status of a subsidiary is true and correct for the purposes of the CEDS - Notes that the requirement for the statement to be "true and correct" is a higher reporting requirement than under a "true and fair view" or "fair presentation framework" for directors and executives - Stating that the CEDS is not part of a true and fair or fair presentation framework and as such, the materiality provision in Australian Accounting Standards do not apply to the CEDS. This means all controlled entities must be listed - Guidance on audit and assurance of the CEDS.	N/A	INFO 284
ASIC Regulatory Resource <i>Sustainability reporting</i> Online regulatory resource from ASIC containing information about the sustainability reporting requirements of the Corporations Act. The regulatory resource summarises the sustainability reporting requirements on sustainability reporting, but it does not cover all aspects of the sustainability reporting regime. The resource provides the following information for preparers of sustainability reports: - Who must prepare a sustainability report? - What should your sustainability report contain? - How and when to lodge your sustainability report? - Relief from sustainability reporting requirements - Modified liability settings. In addition, the resource covers the following topics: - ASIC's administration of the sustainability reporting regime - Audit and assurance of sustainability reports - Further regulatory resources and news - Historical development of climate-related financial disclosures.	N/A ³⁴	Regulatory resource

³⁴ As a regulatory resource, the guidance provided by ASIC is not authoritative.

Document	Effective date	Link to document
ASIC REP 799 ASIC's oversight of financial reporting and audit 2023–24 REP 799 summarises findings from ASIC's financial reporting and audit surveillances and other complementary work for the period 1 July 2023 to 30 June 2024. It highlights areas where the quality of financial reporting and audits can be improved. See section A4.2.3 for more information on ASIC findings.	N/A	REP 799
ASIC REP 809 Response to submissions on CP 380 Sustainability reporting REP 809 was released simultaneously with ASIC Regulatory Guide 280 Sustainability Reporting (RG 280) and ASIC CI 2025/164 . It provides detail about ASIC's responses to the submissions received on Consultation Paper 380 Sustainability reporting , including the rationale for the guidance included in RG 280.	N/A	REP 809
ASIC REP 812 ASIC enforcement and regulatory update: January to June 2025 REP 812 provides an overview of ASIC's work and key matters between 1 January and 30 June 2025, including enforcement actions during the first half of 2025 and enforcement priorities for 2025.	N/A	REP 812
ASIC REP 813 Regulatory simplification This report explores ideas to simplify regulation and ease regulatory burden. ASIC is seeking views on how ASIC can make the information they provide simpler and more accessible and how they can make it easier to interact with them. For more information, see <i>ASIC regulatory simplification</i> on page C-10.	N/A	REP 813

C2.9 ASX

Document	Effective date	Link to document
Guidance Note 8 <i>Continuous Disclosure: Listing Rules 3.1-3.1B</i> (updated) Assists listed entities in understanding and complying with the continuous disclosure obligations under the ASX Listing Rules (and by extension the Corporations Act). A new example (Example I) was included in respect of cyber incidents, which works through a hypothetical data breach and illustrates when disclosure to the market would be required. The thought process in the example may also inform whether, and if so when, any contingent liability or provision would arise under Australian Accounting Standards.	N/A	Guidance Note 8
Guidance Note 17 <i>Waivers and In-principle Advice</i> (updated) This Guidance Note assists listed entities and entities applying for admission to the official list of the ASX to understand how the ASX deals with applications for waivers of, and request for in-principle advice in relation to the ASX Listing Rules. Updates in this version include a requirement for entities to disclose (ordinarily within one business day of receiving confirmation from the ASX that a waiver has been granted) the nature and effect of any waiver that has been granted to them and the reasons for seeking the waiver. Entities receiving a waiver in relation to confidential or incomplete proposals or negotiations will not be required to disclose the waiver until the matter ceases to be confidential or incomplete.	N/A	Guidance Note 17

D. Reporting deadlines

This section summarises the key reporting deadlines for various types of entities for the 31 December 2025 reporting period.

Roadmap to this section

Section	What is included
D1 Entities reporting under the Corporations Act	Reporting deadlines under the Corporations Act and ASX Listing Rules (where relevant) for the following types of entities: • Listed entities (other than registered schemes) (ASX) • Listed registered schemes • ASX AQUA market issuers • Unlisted public companies • Proprietary companies • Unlisted registered schemes • Notified foreign passport funds • Sub funds of retail CCIVs.
D2 Entities reporting to the ACNC	Reporting deadlines for annual reports under the ACNC for the following types of entities: • Large and medium charities • Small charities.
D3 Additional deadlines	Deadlines that applying to the following entities in addition to the other deadlines set out in this section: • Holding entities under <i>ASIC Corporations (Wholly-owned Companies) Instrument 2016/785</i> • AFS licensees.

D1 Entities reporting under the Corporations Act

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

D1.1 Listed entities (other than registered schemes) (ASX)

Source	Requirement	Deadline	Date applicable for 31 December 2025 reporting periods
Annual financial and sustainability reporting³⁵			
ASX 4.3A, ASX 4.3B	Lodgement of Appendix 4E with the ASX ³⁶	As soon as available and no later than 2 months after the end of the financial year	27 February 2026 ³⁷
ASX 4.5, ASX 4.5.1	Lodgement of the financial report (and any concise report ³⁸), sustainability report, directors' report and auditor's reports with the ASX at the same time as lodged with ASIC ³⁹ under s.319 or s.601CK	As soon as available and no later than 3 months after the end of the financial year	31 March 2026
ASX 4.7.1, ASX 4.7.2	Lodgement of the Corporations Act annual report and any 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) ⁴⁰	Earlier of 21 days before AGM or 30 April 2026
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 the annual report is distributed to the members	Earlier of 21 days before AGM or 30 April 2026
s.314 s.315	Sending of financial report, sustainability report, directors' report and auditor's reports to members – listed public companies	Earlier of 21 days before the next AGM or 4 months after the end of the financial year	Earlier of 21 days before AGM or 30 April 2026
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Not required (ASIC-CI 2016/181) ⁴¹	N/A

³⁵ Only 'Group 1' entities are required to prepare and lodge sustainability reports at 31 December 2025. For more information, see section B2.1.3.

³⁶ Mining exploration entities or oil and gas exploration entities are not required to provide the information set out in the Appendix 4E.

³⁷ 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. As 28 February 2026 is a Saturday, the deadline must be met on the previous business day, being 27 February 2026.

³⁸ A concise report consists of a concise financial report (drawn up in accordance with AASB 1039 *Concise Financial Reports*) together with a statement by the auditor and details of any auditor's qualification, the sustainability report (and the auditor's report on it), the directors' report and a statement that the report is a concise report and that a full financial report and auditor's report will be sent to the member free of charge if the member asks for them (s.314(2)).

³⁹ 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.

⁴⁰ 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).

⁴¹ 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).

Source	Requirement	Deadline	Date applicable for 31 December 2025 reporting periods
Annual general meetings			
s.250N	Hold the AGM	Within 5 months after the end of the financial year (if a public company)	1 June 2026 ⁴²

D1.2 Listed registered schemes

Source	Requirement	Deadline	Date applicable for 31 December 2025 reporting periods
Annual financial and sustainability reporting⁴³			
ASX 4.3A, ASX 4.3B	Lodgement of Appendix 4E with the ASX ⁴⁴	As soon as available and no later than 2 months after the end of the financial year	27 February 2026 ⁴⁵
ASX 4.5, ASX 4.5.1	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with the ASX at the same time as lodged with ASIC ⁴⁶ under s.319 or s.601CK	As soon as available and no later than 3 months after the end of the financial year	31 March 2026
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 within 4 months after the end of the financial year (s.315) ⁴⁷	30 April 2026
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 the annual report is distributed to the members	30 April 2026
s.314, s.315	Sending of financial report, sustainability report, directors' report and auditor's reports to members	Within 3 months after the end of the financial year	31 March 2026
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Within 3 months after the end of the financial year	31 March 2026

⁴² 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 May 2026 (which is five months after the 31 December 2025 reporting period) is a Sunday. Accordingly, the deadline will be met on the next day that is not a Saturday, Sunday, or public holiday, i.e. 1 June 2026.

⁴³ Registered schemes cannot be in 'Group 1' for sustainability reporting purposes (s.1707B(2)(b)), see section B2.1.3) and so the requirements listed in relation to the sustainability report and auditor's report on the sustainability report are not applicable for these entities for annual reporting periods ending on 31 December 2025.

⁴⁴ Mining exploration entities or oil and gas exploration entities are not required to provide the information set out in the Appendix 4E.

⁴⁵ 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. As 28 February 2026 is a Saturday, the deadline must be met on the previous business day, being 27 February 2026.

⁴⁶ 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.

⁴⁷ 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).

D1.3 ASX AQUA market issuers

Source	Requirement	Deadline	Date applicable for 31 December 2025 reporting periods
Annual financial and sustainability reporting⁴⁸			
s.314 s.315	Sending of financial report, sustainability report, directors' report and auditor's reports to members	Within 3 months after the end of the financial year	31 March 2026
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Within 3 months after the end of the financial year	31 March 2026
ASX Operating Rules Schedule 10A.4.1(k) ASX Operating Rules Procedures 10A.4.1	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with the ASX ⁴⁹	Within 3 months after the end of the financial year	31 March 2026



ASX Limited publishes annual market announcements reporting calendars on its website for listed entities. At the time of finalisation of this document (24 September 2025), the 2026 reporting calendar had not been published by the ASX. The calendar for the 2026 year is expected to be made available on the [ASX website](#) in due course.

⁴⁸ AQUA market issuers that are a registered scheme or a retail CCIV cannot be in 'Group 1' for sustainability reporting purposes (s.1707B(2)(b), see section B2.1.3) and so the requirements listed in relation to the sustainability report and auditor's report on the sustainability report are not applicable for these entities for annual reporting periods ending on 31 December 2025.

⁴⁹ The ASX Operating Rule Schedule 10A.4.1(k) refers to the lodgement of "periodic *financial* reports (including financial reports, directors' reports and auditors reports) that the AQUA Product Issuer is required to lodge with ASIC under the Corporations Act" (emphasis added). However, ASX Operating Rule Schedule 10A.4.1(j) refers to the lodgement of "any other information that the AQUA Product Issuer is required to disclose or make available to investors generally, or prospective investors, in the ETF Security under the Corporations Act or otherwise (including... periodic financial *and other* reports prepared for disclosure to investors in accordance with statutory requirements...)" (emphasis added). This latter requirement is broader and would encompass the sustainability report as it is an "other report prepared for disclosure to investors in accordance with [a] statutory requirement".

D1.4 Unlisted disclosing entities

Source	Requirement	Deadline	Date applicable for 31 December 2025 reporting periods
Annual financial and sustainability reporting⁵⁰			
s.314 s.315	Sending of financial report, sustainability report, directors' report and auditor's reports to members	Earlier of 21 days before the next AGM or 4 months after the end of the financial year	Earlier of 21 days before AGM or 30 April 2026
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Within 3 months after the end of the financial year	31 March 2026
Annual general meetings			
s.250N	Hold the AGM	Within 5 months after the end of the financial year ⁵¹	1 June 2026 ⁵²

D1.5 Unlisted public companies

Source	Requirement	Deadline	Date applicable for 31 December 2025 reporting periods
Annual financial and sustainability reporting⁵³			
s.314 s.315	Sending of financial report, sustainability report, directors' report and auditor's reports to members	Earlier of 21 days before the next AGM or 4 months after the end of the financial year	Earlier of 21 days before AGM or 30 April 2026
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Within 4 months after the end of the financial year	30 April 2026
Annual general meetings			
s.250N	Hold the AGM	Within 5 months after the end of the financial year ⁵⁴	1 June 2026 ⁵²

⁵⁰ Unlisted disclosing entities that are a registered scheme or a retail CCIV cannot be in 'Group 1' for sustainability reporting purposes (s.1707B(2)(b), see section B2.1.3). Therefore, the requirements listed in relation to the sustainability report and auditor's report on the sustainability report are not applicable for these entities for annual reporting periods ending on 31 December 2025.

⁵¹ Applies to disclosing entities which are public companies and public companies unless exempt.

⁵² 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 May 2026 (which is five months after the 31 December 2025 reporting period) is a Sunday. Accordingly, the deadline will be met on the next day that is not a Saturday, Sunday, or public holiday, i.e. 1 June 2026.

⁵³ Only 'Group 1' entities are required to prepare and lodge sustainability reports at 31 December 2025. For more information, see section B2.1.3.

⁵⁴ Applies to disclosing entities which are public companies and public companies unless exempt.

D1.6 Proprietary companies

Source	Requirement	Deadline	Date applicable for 31 December 2025 reporting periods
Annual financial and sustainability reporting⁵⁵			
s.314 s.315	Sending of financial report, sustainability report, directors' report and auditor's reports to members	Within 4 months after the end of the financial year	30 April 2026
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Within 4 months after the end of the financial year	30 April 2026

D1.7 Unlisted registered schemes

Source	Requirement	Deadline	Date applicable for 31 December 2025 reporting periods
Annual financial and sustainability reporting⁵⁶			
s.314 s.315	Sending of financial report, sustainability report, directors' report and auditor's reports to members	Within 3 months after the end of the financial year	31 March 2026
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Within 3 months after the end of the financial year	31 March 2026

D1.8 Notified foreign passport funds

Source	Requirement	Deadline	Date applicable for 31 December 2025 reporting periods
Annual financial reporting⁵⁷			
s.314A s.315	Sending of a copy of the report of the fund prepared in accordance with the financial reporting requirements applying to the fund under the Passport Rules for the home economy for the fund and related auditor's report to Australian members	Within 3 months after the end of the financial year	31 March 2026
s.319(1AA)	Lodgement of a copy of the report of the fund prepared in accordance with the financial reporting requirements applying to the fund under the Passport Rules for the home economy for the fund and related auditor's report with ASIC	Within 3 months after the end of the financial year	31 March 2026

⁵⁵ Only 'Group 1' entities are required to prepare and lodge sustainability reports at 31 December 2025. For more information, see section B2.1.3.

⁵⁶ Registered schemes cannot be in 'Group 1' for sustainability reporting purposes (s.1707B(2)(b), see section B2.1.3). Therefore, the requirements listed in relation to the sustainability report and auditor's report on the sustainability report are not applicable for these entities for annual reporting periods ending on 31 December 2025.

⁵⁷ Notified foreign passport funds are not required to prepare sustainability reports under the Corporations Act.

D1.9 Sub funds of retail CCIVs

Source	Requirement	Deadline	Date applicable for 31 December 2025 reporting periods
Annual financial and sustainability reporting⁵⁸			
s.314 s.315 s.1232H	Sending of financial report, sustainability report, directors' report and auditor's reports to members	Within 3 months after the end of the financial year ⁵⁹	31 March 2026
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Within 3 months after the end of the financial year	31 March 2026

⁵⁸ Retail CCIVs cannot be in 'Group 1' for sustainability reporting purposes (s.1707B(2)(b), see section B2.1.3) and so the requirements listed in relation to the sustainability report and auditor's report on the sustainability report are not applicable for these entities for annual reporting periods ending on 31 December 2025.

⁵⁹ 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)).

D2 Entities reporting to the ACNC

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

D2.1 Large and medium charities

The following table summarises the reporting deadlines for annual reports under the ACNC for large and medium charities⁶⁰

Source	Requirement	Deadline	Date for 31 December 2025 financial reports/AIS
Annual financial reporting			
ACNC Governance Standard 2: Accountability to members ⁶¹	Sending of financial report to members	Annual financial reports must be maintained and provided to members explaining the charity's financial position	n/a
ACNC Act 2012 s.60-10	Lodgement of the financial report with the ACNC ⁶²	Annual financial reports must be submitted as part of the Annual Information Statements within 6 months from reporting period end	30 June 2026
Annual general meetings			
ACNC Governance Standard 2: Accountability to members ⁶³	Hold the Annual General Meeting (AGM) ^{64,65}	Organise a meeting at least annually with members (such as an AGM) with opportunities for members to ask questions and vote on resolutions	n/a

⁶⁰ Large charities have annual revenue of \$3 million or more (ACNC Act, s.205-25, ACNC Regulations s.205.1(2)). Medium charities have annual revenue greater than \$500,000 and less than \$3 million (ACNC Act s.205-25, ACNC Regulations s.205.1). Financial reports of large charities must be audited (ACNC Act s.60-25), whereas financial reports of medium charities must be either reviewed or audited (ACNC Act s.60-20).

⁶¹ 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.

⁶² 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).

⁶³ 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.

⁶⁴ 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.

⁶⁵ 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.

D2.2 Small charities

The following table summarises the reporting deadlines for annual reports under the ACNC for small charities⁶⁶.

Source	Requirement	Deadline	Date for 31 December 2025 financial reports/AIS
Annual financial reporting			
ACNC Governance Standard 2: Accountability to members ⁶⁷	Sending of financial report to members	Whilst annual financial reports are optional, members should be able to ask for some financial information	n/a (Optional)
ACNC Act 2012 s.60-10	Lodgement of the annual information statements (AIS) and financial report with the ACNC	Submission of annual financial 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	30 June 2026 (Annual financial report - optional)
Annual general meetings			
ACNC Governance Standard 2: Accountability to members ⁶⁸	Hold the Annual General Meeting (AGM) ^{69,70}	Organise a meeting at least annually with members (such as an AGM) with opportunities for members to ask questions and vote on resolutions	n/a

⁶⁶ Small charities have annual revenue less than \$500,000 (ACNC Act s.205-25, ACNC Regulations s.205.1(1)).

⁶⁷ 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.

⁶⁸ 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.

⁶⁹ 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.

⁷⁰ 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.

D3 Additional deadlines

D3.1 Overview

This section sets out deadlines that apply to certain entities in addition to the deadlines outlined earlier in this section.

D3.2 Holding entities under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*

Source	Requirement	Deadline	Date applicable for 31 December 2025 reporting periods
ASIC-CI 2016/765 Clause 6(s)	Preparation of consolidated financial statements under <i>ASIC Corporations (Wholly-owned Companies) Instrument 2016/785</i> ⁷¹	Within 4 months after the end of the financial year	30 April 2026

D3.3 AFS licensees

The following table summarises other reporting deadlines for AFS licensees arising under the Corporations Act:

Source	Obligation	Deadline	Date for 31 December 2025 reporting periods
s.989D ASIC Form FS70	Lodgement of profit and loss statement and balance sheet by AFS licensees:		
	• Bodies corporate (disclosing entities)	3 months	31 March 2026
	• Other unlisted bodies corporate	4 months	30 April 2026
	• Not bodies corporate	2 months	2 March 2026 ⁷²

⁷¹ Applicable to large proprietary companies and small proprietary companies to which s.292(2)(b) applies (i.e. a foreign controlled small proprietary company).

⁷² 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. 28 February 2026 (which is two months after the 31 December 2025 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 March 2026.

E. Sustainability report



This section contains the list of requirements and related guidance in respect of the mandatory disclosures to be made as part of a sustainability report prepared in accordance with the Corporations Act and AASB S2 *Climate-related Disclosures*.

Contents

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About the sustainability report

This section can be used as a guide in preparation of a sustainability report in accordance with the Corporations Act and AASB S2.



Important information about this section

Whilst consistent with mandatory reporting requirements, each sustainability report is necessarily unique and specific to the entity's facts and circumstances. Accordingly, this section **does not contain illustrative disclosures** for a sustainability report. Instead, this section sets out the requirements of the Corporations Act and AASB S2 *Climate-related Disclosures* insofar as they apply to a sustainability report prepared under the Corporations Act.

In addition to the core requirements, this section includes explanatory material from ASIC, AASB and the IFRS Foundation (which includes the ISSB) that readers may find helpful when developing their sustainability report disclosures.

To assist readers to distinguish presentation and disclosure requirements from conceptual requirements and guidance, green shading has been applied to conceptual requirements, guidance and explanatory materials.

In addition, source references shown in green mimic the way the AASB cites paragraphs in the online version of [AASB S2](#). In particular, references to Appendix D of AASB S2 (containing necessary information from AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information*) have been cited in the format "AASB S2:[D]xx" where "[D]" refers to Appendix D. However, references to Appendix D in Appendix D are cited in the format "AASB S2:Dxx".

Assurance requirements

In this section, information that is subject to mandatory assurance in an entity's first year of reporting is marked with a grey bar in the left-hand margin. For more information, see section B2.1.5 and the *Assurance report* discussion on page E-66.



Sustainability reporting requirements

Source

This section sets out the overall requirements for sustainability reports under the Corporations Act and AASB S2 *Climate-related Disclosures*. Information that is not shaded shows requirements and shaded information provides guidance, regulatory perspectives and other information.

Contents of annual sustainability reports

Sustainability report

s.296A(1)

The sustainability report for a financial year consists of:

- The climate statements for the year
- Any notes to the climate statements
- Any statements and notes to the statements required by legislative instruments (under s.296A(5))
- The directors' declaration about the statements and notes.

s.296A(2)

The climate statements for the year are the climate statements in relation to the entity required by the sustainability standards (ASRS).

ASIC-RG 280.34

The sustainability reporting requirements crystallise at the end of the financial year. Entities should establish adequate systems to assess whether they may be required to prepare a sustainability report, even if they do not meet the sustainability reporting thresholds at the commencement of that financial year. For example, an acquisition may complete, a corporate restructure may occur, or market or economic conditions may shift, resulting in a change to the entity's reporting status.

Notes to the sustainability report

s.296A(3)

A sustainability report must include the following notes to the climate statements:

- Any specified disclosures required by legislative instrument regarding the preparation of the climate statements or anything included in the climate statements (under s.296A(4))
- Any notes required by sustainability standards (ASRS) in relation to the preparation of the climate statements, anything included in the climate statements or other matters concerning environmental sustainability
- Notes containing any other information necessary to ensure that the climate statements and notes made the disclosures required by s.296D (i.e. the specific requirements of the Corporations Act).

ASIC-RG 280.97

ASIC does not expect that reporting entities will need to include notes to climate statements in a sustainability report. This is because:

- The Minister has not made, by legislative instrument, any requirements to include notes to sustainability reports relating to financial matters concerning environmental sustainability
- AASB S2 does not currently require any notes in relation to the preparation and content of the climate statements or other matters concerning environmental sustainability
- Climate statements that are prepared in accordance with AASB S2 will generally be sufficient to meet the requirements under s.296D.

Source

Contents of annual sustainability reports (continued)

Climate statement disclosures

s.296D(1)

The climate statements, together with the notes to the climate statements, disclose:

- Any material financial risks and material financial opportunities relating to climate
- Any metrics or targets of the entity relating to climate, including metrics and targets relating to:
 - Scope 1 greenhouse gas emissions
 - Scope 2 greenhouse gas emissions
 - Scope 3 greenhouse gas emissions (including financed emissions)
- Any information about governance of, strategy of, or risk-management by, the entity in relation to those risks, opportunities, metrics and targets.

The information disclosed is that required by the sustainability standards.

s.296D(2)

The question of whether there are material financial risks or opportunities relating to climate is to be worked out in accordance with the sustainability standards.

No climate-related financial risks or opportunities for Group 3 entities

s.296B(1)

If, for a “Group 3” entity⁷³ that is not a registered under the *National Greenhouse and Energy Reporting Act 2007* and is not a registered scheme, registrable superannuation entity or retail CCIV with \$5 billion or more in assets, in relation to a financial year, there are no material financial risks or opportunities related to climate, the climate statements for the year are:

- A statement that there are no material financial risks or financial opportunities relating to climate
- A statement explaining how the entity determined that it has no material financial risks or financial opportunities related to climate for the financial year.

s.296B(6)

The question of whether there are any material financial risks or material financial opportunities for an entity is worked out in accordance with sustainability standards.

ASIC-RG 280.75

Reporting entities are to determine whether there are any “material financial risks or opportunities relating to climate” for a financial year in accordance with AASB S2: see s.296B(6). Under AASB S2, an entity must disclose material information about the climate-related risks or opportunities that could reasonably be expected to affect the entity's prospects. The 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 (AASB S2:17-19, B13-B19, [D]:B21-B37).

ASIC-RG 280.76

Where an entity lodges a climate statement for a financial year stating there are no material financial risks or opportunities relating to climate, it must:

- Assess whether there are material financial risks or opportunities relating to climate under AASB S2
- Maintain adequate sustainability records to substantiate the assessment that the entity has no material financial risks or opportunities relating to climate for the financial year.

ASIC-RG 280.77

Reporting entities lodging a climate statement in these circumstances should establish robust processes to ensure they meet their sustainability reporting obligations for a full climate statement for any subsequent financial year that they determine there are material financial risks and opportunities relating to climate.

⁷³ See section B2.1.3 for more information about the criteria for an entity to be classified as a ‘Group 3’ entity.

Source

AASB S2:1

AASB S2:2

AASB S2:3
AASB S2:A[3]
AASB S2:A[6]

AASB S2:[D]10
AASB S2:D16
AASB S2:D3

General requirements for disclosure of climate-related financial information

Objective

The objective of AASB 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.

AASB S2 requires an entity to disclose information about 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. For the purposes of AASB S2, these risks and opportunities are collectively referred to as "climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects".

Scope

AASB S2 applies to:

- **Climate-related risks** to which the entity is exposed, which are:
 - **Climate-related physical risks**, which are risks resulting from climate change that can be event-driven (acute physical risk) or from longer-term shifts in climatic patterns (chronic physical risk). Acute physical risks arise from weather-related events such as storms, floods, drought or heatwaves, which are increasing in severity and frequency. Chronic physical risks arise from longer-term shifts in climatic patterns including 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**, which are risks that arise from efforts to transition to a lower-carbon economy. Transition risks include policy, legal, technological, market and reputational risks. These risks could carry financial implications for an entity, such as increased operating costs or asset impairment due to new or amended climate-related regulations. The entity's financial performance could also be affected by shifting consumer demands and the development and deployment of new technology.
- **Climate-related opportunities** available to the entity.

Conceptual foundations

For climate-related financial information to be useful, it must be relevant and faithfully represent what it purports to represent. These are fundamental qualitative characteristics of useful climate-related financial information. The usefulness of climate-related financial information is enhanced if the information is comparable, verifiable, timely and understandable. These are enhancing qualitative characteristics of useful climate-related financial information.

Source

General requirements for disclosure of climate-related financial information (continued)

Fair presentation

AASB S2:[D]11
AASB S2:[D]13

A complete set of climate-related financial disclosures presents fairly all climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects. To achieve faithful representation, an entity provides a complete, neutral and accurate depiction of those climate-related risks and opportunities.

AASB S2:[D]15

Fair presentation also requires an entity:

- To disclose information that is comparable, verifiable, timely and understandable
- To disclose additional information if compliance with the specifically applicable requirements in Australian Sustainability Reporting Standards is insufficient to enable users of general purpose financial reports to understand the effects of climate-related risks and opportunities on the entity's cash flows, its access to finance and cost of capital over the short, medium and long term.

AASB S2:D9

Climate-related financial information represents phenomena in words and numbers. To be useful, the information must not only represent relevant phenomena, it must also faithfully represent the substance of the phenomena that it purports to represent.

AASB S2:D10

To be a faithful representation, a depiction would be complete, neutral and accurate. The objective of general purpose financial reports is to maximise those qualities to the extent possible.

AASB S2:D11

A complete depiction of a climate-related risk or opportunity includes all material information necessary for primary users to understand that risk or opportunity.

AASB S2:D12

Climate-related financial information should be neutral. A neutral depiction is one without bias in the selection or disclosure of information. Information is neutral if it is not slanted, weighted, emphasised, de-emphasised or otherwise manipulated to make it more likely that primary users will receive that information favourably or unfavourably. Neutral information is not information without purpose or without influence on behaviour. On the contrary, relevant information is, by definition, capable of making a difference in users' decisions.

AASB S2:D13

Some climate-related financial information—for example, targets or plans—is aspirational. A neutral discussion of such matters covers both aspirations and the factors that could prevent an entity from achieving these aspirations.

AASB S2:D14

Neutrality is supported by the exercise of prudence. Prudence is the exercise of caution when making judgements under conditions of uncertainty. The exercise of prudence means that opportunities are not overstated and risks are not understated. Equally, the exercise of prudence does not allow for the understatement of opportunities or the overstatement of risks.

Source

AASB S2:D15

General requirements for disclosure of climate-related financial information (continued)

Fair presentation (continued)

Climate-related financial information should be accurate. Information can be accurate without being perfectly precise in all respects. The precision needed and attainable, and the factors that make information accurate, depend on the nature of the information and the nature of the matters to which it relates. For example, accuracy requires that:

- Factual information is free from material error
- Descriptions are precise
- Estimates, approximations and forecasts are clearly identified as such
- No material errors are made in selecting and applying an appropriate process for developing an estimate, approximation or forecast
- Assertions and inputs used in developing estimates are reasonable and based on information of sufficient quality and quantity
- Information on judgements about the future faithfully reflects both those judgements and the information on which they are based.

AASB S2:[D]B8

Reasonable and supportable information used by an entity in preparing its climate-related financial disclosures covers factors that are specific to the entity as well as general conditions in the external environment. In some cases—such as in identifying climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects—reasonable and supportable information includes information about past events, current conditions and forecasts of future conditions. Other Australian Sustainability Reporting Standards may specify what is reasonable and supportable information in specific cases.

Verifiability

AASB S2:D23

Climate-related financial information is provided in a way that enhances its verifiability. Verifiability can be enhanced by, for example:

- Including information that can be corroborated by comparing it with other information available to primary users about an entity's business, about other businesses or about the external environment in which the entity operates
- Providing information about inputs and methods of calculation used to produce estimates or approximations
- Providing information reviewed and agreed by the entity's board, board committees or equivalent bodies.

AASB S2:D24

Some climate-related financial information will be presented as explanations or forward-looking information. That information can be supportable, for example by faithfully representing fact-based strategies, plans and risk analyses. To help primary users decide whether to use such information, an entity describes the underlying assumptions and methods of producing the information, as well as other factors that provide evidence that the information reflects the actual plans or decisions made by the entity.

Source

General requirements for disclosure of climate-related financial information (continued)

Understandability

Climate-related financial information should be clear and concise. For climate-related financial disclosures to be concise, they need to:

- Avoid generic information, sometimes called “boilerplate”, that is not specific to the entity
- Avoid duplication of information in the general purpose financial reports, including unnecessary duplication of information also provided in the related financial statements
- Use clear language and clearly structured sentences and paragraphs.

AASB S2:D27

The clearest form a disclosure can take will depend on the nature of the information and might include tables, graphs or diagrams in addition to narrative text. If graphs or diagrams are used, additional text or tables might be necessary to avoid obscuring material detail.

Materiality

AASB S2:[D]17

An entity discloses material information about the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.

AASB S2:[D]18

In the context of climate-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 climate-related financial disclosures and which provide information about a specific reporting entity.

AASB S2:D8

In other words, materiality is an entity-specific aspect of relevance. The materiality of information is assessed in the context of an entity's climate-related financial disclosures and is based on the nature or magnitude of the item to which the information relates, or both.

AASB S2:[D]B13

Materiality of information is judged in relation to whether omitting, misstating or obscuring that information could reasonably be expected to influence decisions of primary users of general purpose financial reports, which provide information about a specific reporting entity.

AASB S2:[D]B25

An entity need not disclose information otherwise required by an Australian Sustainability Reporting Standard if the information is not material. This is the case even if the Australian Sustainability Reporting Standard contains a list of specific requirements or describes them as minimum requirements.

AASB S2:[D]B32

An entity discloses material climate-related financial information, even if law or regulation permits the entity not to disclose such information.

AASB S2:[D]B31

Law or regulation might specify requirements for an entity to disclose climate-related information in its general purpose financial reports. In such circumstances, the entity is permitted to include in its climate-related financial disclosures information to meet legal or regulatory requirements, even if that information is not material. However, such information should not obscure material information.

Source

General requirements for disclosure of climate-related financial information (continued)

Materiality (continued)

Aggregation and disaggregation

AASB S2:[D]B29

When an entity applies Australian Sustainability Reporting Standards, it considers all facts and circumstances and decide how to aggregate and disaggregate information in its climate-related financial disclosures. The entity does not reduce the understandability of its climate-related financial disclosures by obscuring material information with immaterial information or by aggregating material items of information that are dissimilar to each other.

AASB S2:[D]B30

An entity does not aggregate information if doing so would obscure information that is material. Information is aggregated if items of information have shared characteristics and are not aggregated if they do not have shared characteristics. The entity might need to disaggregate information about climate-related risks and opportunities, for example, by geographical location or in consideration of the geopolitical environment. For example, to ensure that material information is not obscured, an entity might need to disaggregate information about its use of water to distinguish between water drawn from abundant sources and water drawn from water-stressed areas.

Educational material

The IFRS Foundation has published [ISSB Standards—Sustainability-related risks and opportunities and the disclosure of material information](#), describing the characteristics of material information and the concept of sustainability-related risks and opportunities. It also explains the requirements related to identifying and disclosing material information about sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects.

The document notes the following in relation to materiality:

Materiality is used to assess whether *information* required by IFRS Sustainability Disclosure Standards would need to be disclosed by a particular entity. In other words, the definition of “material information” is used as a filter to assess whether *information* about a sustainability-related risk or opportunity would need to be provided by an entity to meet the requirements set out in ISSB Standards. The term materiality is *not* used in IFRS Sustainability Disclosure Standards in relation to the significance or importance of a sustainability-related risk or opportunity. Instead, IFRS Sustainability Disclosure Standards require disclosure of (material) information about the sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects.

Timing of reporting

AASB S2:[D]64

An entity reports its climate-related financial disclosures at the same time as its related financial statements. The entity's climate-related financial disclosures cover the same reporting period as the related financial statements.

Note: See Section D1 for details of reporting requirements and deadlines under the Corporations Act.

Source

General requirements for disclosure of climate-related financial information (continued)

Reporting entity

AASB S2:[D]Aus20.1

An entity's climate-related financial disclosures are for the same reporting entity as the related financial statements, unless otherwise permitted by law.

AASB S2:[D]AusB38.1

Unless otherwise permitted by law, paragraph Aus20.1 requires that climate-related financial disclosures are for the same reporting entity as the related financial statements. For example, consolidated financial statements prepared in accordance with Australian Accounting Standards provide information about the parent and its subsidiaries as a single reporting entity. Consequently, that entity's climate-related financial disclosures enable users of general purpose financial reports to understand the effects of the climate-related risks and opportunities on the cash flows, access to finance and cost of capital over the short, medium and long term for the parent and its subsidiaries.

Consolidated group provisions

s.292A(2)

If the accounting standards require an entity (the parent) to prepare financial statements for the financial year and the parent elects to prepare a sustainability report for the consolidated entity for the financial year, then:

- The parent is the only entity in the consolidated entity that must prepare a sustainability report
- The sustainability report must be prepared as if the consolidated entity is a single entity.

ASIC-RG 280.44

In certain circumstances, a subsidiary that is part of a consolidated entity or an entity that is part of a stapled group is not required to prepare a sustainability report. This applies when:

- A parent entity elects to prepare a sustainability report for the consolidated entity for the financial year and is also required by the accounting standards to prepare financial statements for the consolidated entity for the financial year (s.292A(2)), or
- A stapled entity in the stapled group prepares a sustainability report on behalf of the stapled group relying on [ASIC Corporations \(Reporting by Stapled Entities\) Instrument 2023/673](#).

ASIC-RG 280.45

The parent entity must be a Chapter 2M entity that is required to prepare consolidated financial statements to have the option of preparing a consolidated sustainability report under s.292A(2).

ASIC-RG 280.46

For example, a foreign parent entity does not have the option of preparing a consolidated sustainability report under s.292A(2) on behalf of the consolidated entity for a financial year. Australian subsidiaries of the foreign parent that are reporting entities must still prepare an individual sustainability report under s.292A. This is because the foreign parent is not a Chapter 2M entity and is not required under the accounting standards to prepare financial statements for the consolidated entity for the financial year for the purposes of Chapter 2M.

Source

General requirements for disclosure of climate-related financial information (continued)

Compliance with IFRS Sustainability Disclosure Standards

AASB S2:BC26

In accordance with IFRS S1 paragraphs 20 and B38, an entity's climate-related financial disclosures are required to be prepared for the same reporting entity as the related financial statements. That is, to comply with IFRS S2, an entity would prepare climate-related financial disclosures for its consolidated group if the related financial statements are prepared for that consolidated group.

AASB S2:BC27

The AASB observed that the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* does not require the parent entity of a consolidated group to prepare climate-related financial disclosures for its consolidated group. Under s.292A(2), as inserted by the legislative amendments, a parent entity has the choice of preparing a sustainability report for either the consolidated entity or the parent entity. Accordingly, the AASB added paragraphs Aus20.1 and AusB38.1 to Appendix D of AASB S2 to specify that an entity's climate-related financial disclosures are for the same reporting entity as the related financial statements *unless otherwise permitted by law*.

Entities wishing their sustainability report to be compliant with IFRS Sustainability Disclosure Standards should ensure that the reporting entity for the sustainability report is the same as for the financial statements.

Comparative information

AASB S2:[D]70

Unless another Australian Sustainability Reporting Standard permits or requires otherwise, an entity discloses comparative information in respect of the preceding period for all amounts disclosed in the reporting period. If such information would be useful for an understanding of the climate-related financial disclosures for the reporting period, the entity also discloses comparative information for narrative and descriptive climate-related financial information.

AASB S2:[D]B49

AASB S2 requires an entity to disclose comparative information in respect of the preceding period for all amounts disclosed in the reporting period.

Transitional relief

AASB S2:C3

An entity is not required to provide the disclosures specified in AASB S2 for any period before the date of initial application. Accordingly, an entity is not required to disclose comparative information in the first annual reporting period in which it applies AASB S2.

Source

Greenhouse Gas
Emissions educational
material (Question 13)

General requirements for disclosure of climate-related financial information (continued)

Comparative information (continued)

Adjusting comparative greenhouse gas emissions information for changes in the composition of the entity

AASB S2 does not require an entity to adjust comparative greenhouse gas emissions information for changes in the composition of the reporting entity such as an acquisition or disposal of a subsidiary.

AASB S2 requires an entity to disclose comparative information in respect of the preceding period for all amounts disclosed in the reporting period (AASB S2:[D]70). Climate-related financial disclosures provide information about the reporting entity's climate-related risks and opportunities. The definition of reporting entity establishes "what" the disclosure requirements apply to, and what information is required to be provided. AASB S2 requires that the climate-related financial disclosures be for the same reporting entity as the related financial statements (AASB S2:[D]Aus20.1). Therefore, the requirements related to comparative information are bound by the composition of the reporting entity in the related financial statements in the comparative period.

If there has been a change to the composition of the reporting entity, such as an acquisition or disposal, the comparative greenhouse gas emissions information provided will be greenhouse gas emissions information about the reporting entity on the basis of the composition of the reporting entity in the related financial statements. For example:

- The greenhouse gas emissions of a subsidiary newly acquired in the current reporting period will not be included in greenhouse gas emissions information in the comparative information, because the subsidiary was not part of the reporting entity in the related financial statements in the comparative period
- The greenhouse emissions of a subsidiary disposed of in the current reporting period will be included in greenhouse gas emissions information in the comparative information, because that subsidiary was part of the reporting entity of the related financial statements in the comparative period.

The Greenhouse Gas Protocol Corporate Standard is used to measure what is required to be disclosed by IFRS Sustainability Disclosure Standards (and Australian Sustainability Reporting Standards). The requirements in those Standards about the reporting entity and comparative information determine what is required to be disclosed related to changes in the composition of the reporting entity. Therefore, requirements in the GHG Protocol Standards regarding the reporting entity and comparative information do not apply when applying AASB S2.

Source

General requirements for disclosure of climate-related financial information (continued)**Comparative information (continued)****Adjusting comparative greenhouse gas emissions information for changes in the composition of the entity (continued)**

Although an entity is not required to adjust comparative greenhouse gas emissions information as a result of changes in the composition of the reporting entity, such as an acquisition or disposal of a subsidiary, an entity might need to provide additional information about the effect of the acquisition or disposal of a subsidiary.

This might be the case if an entity considers that compliance with the specifically applicable requirements in IFRS Sustainability Disclosure Standards (and Australian Sustainability Reporting Standards) is insufficient to enable primary users to understand the effects of climate-related risks and opportunities on the entity's prospects, in accordance with AASB S2:[D]B26, and that additional information is material.

Connected information

An entity provides information in a manner that enables users of general purpose financial reports to understand the following types of connections:

- The connections between the items to which the information relates—such as connections between various climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects
- The connections between disclosures provided by the entity:
 - Within its climate-related financial disclosures—such as connections between disclosures on governance, strategy, risk management and metrics and targets
 - Across its climate-related financial disclosures and other general purpose financial reports published by the entity—such as its related financial statements (see AASB S2:[D]B39–B44).

AASB S2:[D]23

Data and assumptions used in preparing the climate-related financial disclosures are consistent—to the extent possible considering the requirements of Australian Accounting Standards—with the corresponding data and assumptions used in preparing the related financial statements.

AASB S2:[D]B42

Drawing connections between disclosures involves, but is not limited to, providing necessary explanations and cross-references and using consistent data, assumptions, and units of measure. In providing connected information, an entity:

- Explains connections between disclosures in a clear and concise manner
- Avoids unnecessary duplication if Australian Sustainability Reporting Standards require the disclosure of common items of information
- Discloses information about significant differences between the data and assumptions used in preparing the entity's climate-related financial disclosures and the data and assumptions used in preparing the related financial statements.

Disclosing information about anticipated financial effects educational material

Although disclosure requirements are presented in a logical order in IFRS Sustainability Disclosure Standards, in presenting disclosures about sustainability-related risks and opportunities, an entity does not need to follow the order of the requirements in IFRS Sustainability Disclosure Standards. The entity instead uses an approach that is useful to “tell the story” about its sustainability-related risks and opportunities, enhancing connections between information and avoiding duplication when possible.

Presentation currency

AASB S2:[D]24

When currency is specified as the unit of measure in the climate-related financial disclosures, the entity uses the presentation currency of its related financial statements.

Source

General requirements for disclosure of climate-related financial information (continued)

Location of disclosures

AASB S2:[D]60

An entity is required to provide disclosures required by Australian Sustainability Reporting Standards as part of its general purpose financial reports.

AASB S2:[D]62

An entity may disclose information required by an Australian Sustainability Reporting Standard in the same location as information disclosed to meet other requirements, such as information required by regulators. The entity ensures that the climate-related financial disclosures are clearly identifiable and not obscured by that additional information.

Identification and distinguishing climate-related financial disclosures

AASB S2:[D]B27

An entity identifies its climate-related financial disclosures clearly and distinguishes them from other information provided by the entity. An entity does not obscure material information. Information is obscured if it is communicated in a way that would have a similar effect for primary users to omitting or misstating that information.

Examples of circumstances that might result in material information being obscured include:

- Material information is not clearly distinguished from additional information that is not material
- Material information is disclosed in the climate-related financial disclosures, but the language used is vague or unclear
- Material information about a climate-related risk or opportunity is scattered throughout the climate-related financial disclosures
- Items of information that are dissimilar are inappropriately aggregated
- Items of information that are similar are inappropriately disaggregated
- The understandability of the climate-related financial disclosures is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Cross-referencing

AASB S2:[D]63

Information required by an Australian Sustainability Reporting Standard may be included in climate-related financial disclosures by cross-reference to another report published by the entity.

AASB S2:[D]B45

Information required by an Australian Sustainability Reporting Standard might be available in another report published by the entity. For example, the required information could be disclosed in the related financial statements. Material information can be included in an entity's climate-related financial disclosures by cross-reference, provided that:

- The cross-referenced information is available on the same terms and at the same time as the climate-related financial disclosures
- The complete set of climate-related financial disclosures is not made less understandable by including information by cross-reference.

AASB S2:[D]B46

Information included by cross-reference becomes part of the complete set of climate-related financial disclosures and complies with the requirements of Australian Sustainability Reporting Standards. For example, it needs to be relevant, representationally faithful, comparable, verifiable, timely and understandable. The body(s) or individual(s) that authorises the general purpose financial reports takes the same responsibility for the information included by cross-reference as it does for the information included directly.

Source

AASB S2:[D]B47

General requirements for disclosure of climate-related financial information (continued)

Cross-referencing (continued)

If information required by an Australian Sustainability Reporting Standard is included by cross-reference:

- The climate-related financial disclosures clearly identifies the report within which that information is located and explain how to access that report
- The cross-reference is to a precisely specified part of that report.

ASIC-RG 280.87

Lodgement of cross-referenced information

If a reporting entity's sustainability report cross-references to information in another report prepared by the reporting entity, it is strongly encouraged to lodge the other report with its sustainability report (if it has not already been lodged with ASIC).

ASIC-RG 280.88

ASIC notes this is because:

- Information included by cross-reference is taken to form part of the complete set of climate-related financial disclosures (AASB S2:[D]B46)
- information included by cross-reference must be available on the same terms and at the same time as the climate-related financial disclosures (AASB S2:[D]B45)
- Users of the sustainability report, both present and future, should have access to both the sustainability report and any cross-referenced report.

ASIC-RG 280.80

Forward looking information

AASB S2 requires that a reporting entity "use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort" in disclosing the forward-looking climate information. This reflects that the quality and availability of data to support forward-looking climate information is expected to evolve over time and that disclosing forward-looking climate information over the medium and long term may be more uncertain than disclosing forward-looking information over the short term.

ASIC-RG 280.81

Forward-looking climate information that is required under the Corporations Act and AASB S2 is:

- Decision useful for existing and potential investors, lenders and other creditors, and other users of this information
- Supports regulators in considering the future financial stability implications of climate change.

ASIC-RG 280.82
s.769C

Under the Corporations Act and the Australian Securities and Investments Commission Act, some representations about future matters will be taken to be misleading unless there are reasonable grounds for making the representation.

ASIC-RG 280.83

Forward-looking information in climate statements must comply with Appendix D of AASB S2, which sets out both the fundamental and enhancing qualitative characteristics of useful climate-related financial information. These are:

- Relevance and faithful representations (fundamental characteristics at AASB S2:[D]D4–D15)
- Comparability, verifiability, timeliness and understandability (enhancing characteristics at AASB S2:[D]D16–D33).

Source

ASIC-RG 280.84

Forward looking information (continued)

Reporting entities must maintain adequate sustainability records that explain the methods, assumptions and evidence for all forward-looking information in the climate statements. If requested by the auditor of the sustainability report or ASIC, this will enable the reporting entity to:

- Demonstrate the information, evidence and any expert advice (if relied on) that is available at the time to support the statements
- Provide further detail about, or background to, the inputs and assumptions used, particularly for areas of significant estimation uncertainty and judgement.

ASIC-RG 280.85
s.674
s.675

Reporting entities that are disclosing entities must comply with their continuous disclosure obligations under s.674 and s.675, including for forward-looking information in the climate statements. Sections 674 and 675 may apply if (among other things) facts and circumstances change in relation to forward-looking climate information in climate statements that:

- Is not generally available
- A reasonable person would expect to have a material effect on the price or value of enhanced disclosure securities (ED securities) of the entity. For these purposes, this is information that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the ED securities (s.677).

Additional information in sustainability reports

ASIC-RG 280.90

Historical market practice for some entities has involved the preparation of a “sustainability report” containing information relating to sustainability that may include, but not be limited to, climate-related financial information

ASIC-RG 280.91

Entities may wish to disclose voluntary and other mandatory sustainability-related information to meet the information needs of users. For example, entities may wish to voluntarily disclose sustainability-related financial information, other than climate-related financial information, by applying all, or parts of, AASB S1.

ASIC-RG 280.92
AASB S2:[D]62

Reporting entities should ensure that climate-related financial information is clearly identifiable and not obscured by additional information (AASB S2:[D]62). This practice:

- Reduces the risk that users of climate-related financial information are misled about the extent to which the information in the sustainability report is required to be disclosed under AASB S2
- Supports the objectives of sustainability reporting, by facilitating consistent and comparable climate-related financial disclosures.

ASIC-RG 280.93

Reporting entities may prepare a standalone report that only contains the climate-related financial information required under the Corporations Act and AASB S2. It would be helpful for users if the sustainability report were to contain a prominent description explaining that the climate-related financial information is required under s292A of the Corporations Act and AASB S2.

ASIC-RG 280.94

ASIC will administer the law on the basis that reporting entities may include additional sustainability-related information in the sustainability report, provided that the climate-related financial information required under the Corporations Act and AASB S2 is clearly identified and not obscured (AASB S2:[D]62).

For example, reporting entities could use an index table, included in a prominent location in the sustainability report, that identifies the climate-related financial information required under s.292A of the Corporations Act and AASB S2 (e.g. through cross-references to paragraph numbers in the sustainability report).

Source

Modified liability settings



Proposed changes to the modified liability framework

Following an earlier [consultation](#), on 4 September 2025, the Federal Government introduced [Treasury Laws Amendment \(Strengthening Financial Systems and Other Measures\) Bill 2025](#) into Parliament. One of the measures in the Bill would extend the scope of the modified liability framework to:

- Entities preparing voluntary sustainability reports in accordance with the requirements of the Corporations Act before they are mandatorily required to do so (i.e. voluntary sustainability reports prepared in accordance with the requirements of the Corporations Act and complying with AASB S2)
- Entities complying with ASIC instruments dealing with sustainability reporting where the ASIC instrument includes provision that the modified liability provisions apply.

In both cases, the directors would also be required to make a declaration in the sustainability report (in a prescribed way) that the modified liability provisions apply.

At the date of finalisation of this publication (24 September 2025), the legislation had not passed Parliament and is not law. In [ASIC Report 809 Response to submissions on CP 380 "Sustainability reporting"](#), ASIC notes that if these measures are legislated, RG 280 will be updated.

Protection from liability

s.1707D(1)

No action, suit or proceeding lies against a person in relation to a protected statement or a statement that is required to be made under a Commonwealth law and is the same as a protected statement or differs from a protected statement only in so far as it contains updates or corrections to the protected statement.

s.1707D(2)

This limited immunity does not apply to an action, suit or proceeding if it is criminal in nature or brought by ASIC.

Meaning of "protected statement"

s.1707D(3)
s.1707

For the purposes of the modified liability settings, a protected statement is a statement that is:

- Made in a sustainability report for a financial year commencing during the three years starting on 1 January 2025 for the purpose of complying with a sustainability standard, or
- Made in an auditor's report of an audit or review of a sustainability report for the purposes of complying with the Corporations Act or the auditing standards

Where the statement is made about:

- Scope 3 greenhouse gas emissions (including financed emissions)
- Scenario analysis (as defined by sustainability standards)
- A transition plan (as defined by sustainability standards).

s.1707D(4)
s.1707

A protected statement also includes a statement that is:

- Made in a sustainability report for a financial year commencing during the 12 months starting on 1 January 2025 for the purpose of complying with a sustainability standard, or in an auditor's report of an audit or review of a sustainability report for the purposes of complying with the Corporations Act or the auditing standards
- Relates to climate
- At the time it is made, is about the future.

Source

ASIC-RG 280.61

Modified liability settings (continued)

Effect of the modified liability settings

Under the modified liability settings, no legal action other than criminal action or action by ASIC can be brought against a person in relation to protected statements made in the sustainability report or the auditor's report on the sustainability report.

ASIC-RG 280.62

For example, an investor may not bring a civil action alleging that a protected statement in a sustainability report is misleading or deceptive.

ASIC-RG 280.64

ASIC-RG 280.79

Examples of protected statements

Protected statements relating to climate, that are the time they are made are about the future are likely to include:

- Climate-related risks and opportunities that could reasonably be expected to affect the reporting entity's prospects (AASB S2:11)
- The anticipated effects of climate-related risks and opportunities on the reporting entity's business model and value chain, strategy and decision making, and financial position, financial performance and cash flows (AASB S2:13, 14(a)-(b), 15(b), 16(b)-(d), 17-21)
- Any planned use of carbon credits to offset gas emissions to achieve any net greenhouse gas emissions target (AASB S2:36(e), AASB S2:B70).

ASIC-RG 280.65

Protected statements about scope 3 greenhouse gas emissions, scenario analysis and transition plans are likely to include statements about inputs and assumptions that inform these disclosures.

ASIC-RG 280.66

Where the modified liability settings do not apply

If a reporting entity discloses sustainability-related information in the sustainability report beyond what is required under the sustainability standards, the modified liability settings will not apply to those voluntary sustainability-related disclosures.

ASIC-RG 280.68

Examples of when a protected statement may be *required to be made* under a Commonwealth law include protected statements:

- Disclosed under an entity's continuous disclosure obligations under s.674 and s.675 of the Corporations Act
- Included in the operating and financial review (OFR) under s.299A(1)
- Included in disclosure documents (prospectus) under s.710
- Included in a product disclosure statement (PDS), e.g. as required under s.1013D or s.1013E
- Updated or corrected under an ASIC direction given under s.296E(1)(g).

ASIC-RG 280.69

The modified liability settings do not extend to statements made outside of a sustainability report where:

- The statement is made voluntarily, e.g. reproduced in an investor presentation or promotional material (unless that disclosure is required under Commonwealth law)
- The statement is included by cross-reference in the sustainability report
- The statement is a summary of the protected statement or expands on the content of a protected statement
- The statement comprises updates or corrections to a protected statement (unless included in a revised version of a protected statement required under a Commonwealth law).

Source

ASIC-RG 280.113

Sustainability-related financial disclosures outside the sustainability report

The sustainability reporting practices of reporting entities are likely to influence non-reporting entities in the preparation of sustainability-related financial disclosures in a range of contexts. ASIC considers that, over time:

- Accounting, sustainability and audit professionals (both current and future) will undertake and maintain training in the interpretation and application of the sustainability standards, including its defined terms
- The application of the sustainability standards will become common practice across the financial and corporate sector
- Investors and lenders will reasonably expect that sustainability-related financial information, including climate-related financial information, is provided in a consistent and comparable way in accordance with the sustainability standard
- Private sector reporting and information management systems should be developed to align to, and support compliance with, the sustainability standards
- The public sector and other agencies will report under a variation of the sustainability standards.

ASIC-RG 280.114

Accordingly:

- Reporting entities are encouraged to adopt the definitions for terms in Appendix A of AASB S1 or AASB S2, if those terms are also used in disclosure outside the sustainability report (e.g. terms such as climate resilience, scope 1, 2 and 3 greenhouse gas emissions, climate-related physical and transition risks and internal carbon price)
- Reporting entities are encouraged to apply the principles for disclosing useful sustainability-related financial information at paragraphs D4-D33 of Appendix D of AASB S1 and AASB S2 when disclosing sustainability-related financial information outside the sustainability report (*see General requirements for disclosure of climate-related financial information on page E-5*).

ASIC-RG 280.115

Non-reporting entities are also encouraged to adopt these defined terms and apply these principles in similar contexts, although they are not required to prepare a sustainability report. This is because these defined terms and principles are expected to become widely understood and prevalent, when disclosing sustainability-related financial information.

ASIC-RG 280.116

These practices facilitate the disclosure of higher quality sustainability-related financial information outside the sustainability report. For example, a reporting entity that applies these principles for disclosing useful sustainability-related financial information:

- Is more likely to faithfully represent that information from the sustainability report
- Is less likely to distort the balance, tenor and prominence of that information from the sustainability report.

ASIC-RG 280.116
(Note)

ASIC's reviews of sustainability-related disclosures will extend to information from sustainability reports reproduced in other documents lodged with ASIC, such as disclosure documents or product disclosure statements (PDSs). ASIC has noted it will likely carefully scrutinise information that includes or references information from a sustainability report.

ASIC-RG 280.117

ASIC supports the disclosure of sustainability-related financial information outside the sustainability report where:

- The information supports confident and informed investors
- The entity determines that it is in its interests and those of its stakeholders to do so.

Source

Comparison with TCFD recommendations

The following resources are available for entities moving from the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to reporting under the Corporations Act and AASB S2:

- [AASB S2 to TCFD Comparison](#) – published by the AASB, this document summarises similarities and differences between AASB S2 and the TCFD core recommendations, recommendations and guidance
- [Comparison – IFRS S2 Climate-related Disclosures with the TCFD recommendations](#) – published by the IFRS Foundation, this publication notes that the requirements in IFRS S2 integrate, and are consistent with, the four core recommendations and 11 recommended disclosures published by the TCFD. The publication outlines where IFRS S2 uses different wording, is more detailed or differs from the TCFD guidance (mainly by providing additional requirements and guidance).

AASB S2 Knowledge Hub

The AASB has made a [AASB S2 Knowledge Hub](#) available on its website. The Hub includes:

- AASB S2 guidance (including Australian versions of some of the IFRS Foundation educational materials discussed in section B1.4.1)
- Information about the AASB S2 Implementation Advisory Panel
- A series of frequently asked questions
- Additional resources.

Entities preparing sustainability reports may find these resources helpful.

Australian national climate risk assessment

On 15 September 2025, the Australian Government released:

- Australia's first [National Climate Risk Assessment](#) providing an overview of nationally significant climate risks and impacts
- A [National Adaption Plan](#) to provide a policy framework to respond to the risks identified
- Data, information and insights to assist planning and adaptation on the [Australian Climate Service website](#).

These may be a useful resource in developing disclosures required in the sustainability report, particularly in identifying climate-related risks and opportunities.

Directors' declaration

Source

Requirements for the directors' declaration



Possible guidance on the directors' declaration

We understand that the AUASB, ASIC and other parties are considering the need for guidance on the wording of the directors' declaration in the sustainability report.

At the date of finalisation of this publication (24 September 2025), no guidance has been issued. Entities should continue to monitor developments in this area as they prepare their sustainability reports.

Core requirements

The directors' declaration is a declaration by the directors as to whether, in the directors' opinion, the entity has taken reasonable steps to ensure the substantive provisions of the sustainability report are in accordance with the Corporations Act, including:

- Section 296C (compliance with sustainability standards, etc)
- Section 296D (climate statement disclosures).

The declaration must:

- Be made in accordance with a resolution of the directors
- Specify the date on which the declaration is made
- Be signed by a director.

The directors providing the directors' declaration are those of the entity that is required to prepare the sustainability report. For RSEs, registered schemes and retail CCIVs, these are the directors of the entity required to prepare the sustainability report on behalf of the RSE, registered scheme or retail CCIV.

Modified statement for first three years

For the financial years commencing between 1 January 2025 and 31 December 2027, directors of reporting entities are required to declare that, in their opinion, the entity has taken reasonable steps to ensure that the sustainability report (other than the directors' declaration) is in accordance with the Corporations Act and AASB S2.

This modified declaration reflects that:

- The sophistication and maturity of a reporting entity's controls, policies, procedures and systems for sustainability reporting are expected to develop over time
- Directors are expected to develop their understanding, experience and capabilities in relation to sustainability reporting over time.

For the financial years commencing on or after 1 January 2028, directors are required to declare whether, in the directors' opinion, the sustainability report (other than the directors' declaration) is in accordance with the Corporations Act (including s.296C and s.296D) and AASB S2.

s.296A(6)
s.1707C(2)

s.296A(7)

ASIC-RG 280.57 (Note 1)

ASIC-RG 280.58

ASIC-RG 280.59

Climate statements

For the financial year ending 31 December 2025

Source



Deloitte guidance on these requirements

The Deloitte Accounting Research Tool (DART) contains extensive resources on sustainability reporting, including the requirements, and related Deloitte interpretations and guidance, of IFRS Sustainability Reporting Standards, the Greenhouse Gas Protocol and European Union sustainability reporting requirements.

The following key sections will be particularly useful for entities preparing mandatory sustainability reports under the Corporations Act:

- [Chapter E7](#) *General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)*
- [Chapter E8](#) *Climate-related disclosures (IFRS S2)*
- [Volume G](#) *Sustainability Reporting (GHG Protocol)*.

A [DART subscription](#) or Deloitte credentials are needed to access these materials. A one-time 30-day trial subscription is available.

Governance

Objective

The objective of climate-related financial disclosures on governance (governance disclosure objective) is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.

Governance body

To achieve the governance disclosure objective, an entity discloses information about:

- The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity identifies that body(s) or individual(s) and disclose information about:
 - How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s)
 - How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities
 - How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities
 - How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities
 - How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets (see AASB S2:33-36), including whether and how related performance metrics are included in remuneration policies (see AASB S2:29(g)).

AASB S2:5

AASB S2:6(a)

Source

Disclosing information about an entity's climate-related transition (3.1.1)

Governance (continued)

Bodies or individuals responsible for a strategic goal

Where an entity has a transition plan, an entity might disclose information about how it reviews and approves a strategic goal related to its climate-related transition, and how responsibilities for that strategic goal are reflected. For example, in the terms of reference, mandates and role descriptions, the entity might determine that it is relevant to disclose whether the entity has appointed a specific member of the relevant governance body(s), or sub-committee, to be accountable for that strategic goal.

In showing how effective governance processes are in developing the strategic goal, overseeing target-setting and monitoring progress towards targets, an entity might determine that it is relevant to provide information about the methods used by the body(s) or individual(s) for review, approval and monitoring.

Disclosures about how the body(s) or individual(s) takes the strategic goal into account in overseeing the entity's strategy will help the entity communicate the extent to which the strategic goal is integrated into the entity's strategy and wider decision-making.

An entity might determine that it is relevant to provide information on the extent to which the strategic goal is considered by the body(s) or individual(s) in making other decisions and overseeing other activities—for example, in:

- Reviewing and guiding business strategy, and risk management processes
- Making decisions on major transactions and plans of action
- Setting budgets, or
- Defining performance objectives.

Management's role

To achieve the governance disclosure objective, an entity discloses information about:

- Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:
 - Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee
 - Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.

Avoiding duplication

In preparing disclosures to fulfil the requirements in respect of the governance disclosures an entity avoids unnecessary duplication in accordance with Appendix D of AASB S2 (see AASB S2:[D]B42(b)).

For example, although an entity provides the information required by paragraph 6 of AASB S2, if oversight of sustainability-related risks and opportunities is managed on an integrated basis, the entity would avoid duplication by providing integrated governance disclosures instead of separate disclosures for each sustainability-related risk and opportunity.

The requirement to avoid unnecessary duplication applies particularly if an entity elects to voluntarily apply AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (September 2024) to disclose information about other sustainability-related risks and opportunities in addition to climate-related risks and opportunities in general purpose financial reports.

AASB S2:6(b)

AASB S2:7

AASB S2:Aus7.1

Source

Disclosing information about an entity's climate-related transition (3.1.2)

Governance (continued)

Management's role in the processes used for a strategic goal

In disclosing information about the role of a body(s) or individual(s) in defining a strategic goal, an entity might determine that it is relevant to provide information about:

- How the individuals responsible for implementing the strategic goal are being brought together from various teams and functions, to promote cross-business ownership of the strategic goal
- What escalation processes are in place to enable challenges or concerns related to the strategic goal to be communicated to the relevant governance body(s) or individual(s).

If an entity has controls and procedures in place to support oversight of its strategic goal, the entity might determine that it is relevant to disclose:

- Information on controls used to monitor the strategic goal and progress against the goal by internal assurance functions such as internal audit, and how the controls are integrated with other functions
- Information on whether aspects of the entity's disclosures on its strategic goal are externally assured or verified and, if so:
 - The nature of the assurance or verification
 - The subject matter that is assured or verified.

In providing information about whether a strategic goal is subject to shareholder approval, an entity might determine that it is relevant to disclose whether decisions are subject to a vote and, if so, whether the vote is binding or advisory.

Skills, competencies and knowledge to implement a strategic goal

An entity disclosing information about how it assesses whether it has the appropriate skills, competencies and knowledge to achieve the strategic goal related to its transition towards a lower-carbon and/or climate-resilient economy might determine that it is relevant to provide information about:

- How it has assessed the skills and knowledge required to act successfully
- How it has mapped its skills and knowledge against the needs identified
- What important skill and knowledge gaps it has identified.

An entity disclosing information about actions that it is taking, or plans to take, to acquire or develop these skills might determine that it is relevant to provide information about:

- Recruitment efforts
- Internal training programmes and other efforts to upskill its workforce.

An entity disclosing information about actions that it is taking, or plans to take, to provide the governance body(s) or individual(s) and executive management with access to skills, competencies and knowledge might determine that it is relevant to provide information about:

- Board effectiveness assessments
- Internal or external training or engagement sessions
- Regular briefings on climate-related transition issues.

Disclosing information about an entity's climate-related transition (3.1.4)

Source

AASB S2:BC28

AASB S2:BC30

IFRS S2:23

Strategy

Compliance with IFRS S2

In finalising AASB S2, the AASB decided, as an interim measure, not to require industry-based disclosures to be provided and therefore also not to require entities to consider the applicability of disclosure topics (and the industry-based metrics associated with those disclosure topics) defined in the Sustainability Accounting Standards Board (SASB) Standards and *Industry-based Guidance on Implementing IFRS S2* issued by the ISSB.

Acknowledging constituent feedback, the AASB made decisions regarding the consideration and disclosure of industry-based information as an interim measure, signalling its intention to redeliberate this matter in the near future. The AASB added a project to its workplan with respect to industry-based disclosure requirements. This project will focus on determining the appropriate basis and content of the industry-based disclosures, including assessing the industry-based classification system, the applicability of the industry-based disclosure topics and the industry-based metrics defined in the *Industry-based Guidance on Implementing IFRS S2*. The Treasury Policy Position Statement *Mandatory climate-related financial disclosures* (January 2024) states that “Entities should only be required to disclose against well-established and understood industry-based metrics from 1 July 2030 onwards.” Accordingly, the AASB intends to finalise mandatory requirements for industry-based disclosures by 2030.

If an entity wishes to be compliant with IFRS S2, in preparing disclosures to meet the strategy disclosures in this section, in addition to the cross-industry metric categories (as described in AASB S2:29), the entity refers to and considers the applicability of industry-based metrics associated with disclosure topics defined in the *Industry-based Guidance on Implementing IFRS S2*.

The IFRS Foundation has published [educational material](#) to help entities understand the role of the ISSB industry-based guidance when applying IFRS Sustainability Disclosure Standards.



Proposed changes to the *Industry-based Guidance on Implementing IFRS S2*

In July 2025, the ISSB [released](#) two exposure drafts that would amend the SASB Standards and *Industry-based Guidance on Implementing IFRS S2*.

The exposure drafts propose:

- Substantial amendments to nine SASB Standards as a result of a comprehensive review of those standards. The nine Standards cover coal, construction materials, iron and steel, metals and mining, oil and gas and processed foods
- Targeted amendments to other SASB Standards for 41 industries to maintain consistent disclosures on common topics, affecting disclosure topics and metrics related to greenhouse gas emissions, energy management, water management, labour practices and workforce health and safety.

As the *Industry-based Guidance on Implementing IFRS S2* is derived from, and consistent with, the SASB Standards, equivalent amendments are proposed in that document to ensure consistency. Metrics in the guidance would be amended for 10 sectors (i.e. all sectors except the financials sector). In addition, a number of metrics are proposed to be deleted or added across the Industry-based guidance.

The exposure drafts are open for comment until 30 November 2025. The ISSB has indicated an effective date of 12 to 18 months after any revisions are made (but early adoption will be available).

Entities wishing to be compliant with IFRS S2 should monitor these developments.

Source

AASB S2:8

AASB S2:Aus23.1

AASB S2:10

AASB S2:11

ASIC-RG 280.80

AASB S2:[D]31

AASB S2:[D]B10

Strategy (continued)**Objective**

The objective of climate-related financial disclosures on strategy is to enable users of general purpose financial reports to understand an entity's strategy for managing climate-related risks and opportunities.

In preparing disclosures to meet the requirements for strategy disclosures in this section, an entity refers to and considers the applicability of cross-industry metric categories described in AASB S2:29.

Specific disclosures**Climate-related risks and opportunities**

An entity discloses information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity:

- Describes climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects
- Explains, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk
- Specifies, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur
- 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.

In identifying the climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects, the entity uses all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort, including information about past events, current conditions and forecasts of future conditions.

AASB S2 requires that a reporting entity "use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort" in disclosing the forward-looking climate information. This reflects that the quality and availability of data to support forward-looking climate information is expected to evolve over time and that disclosing forward-looking climate information over the medium and long term may be more uncertain than disclosing forward-looking information over the short term.

Time horizons

Time horizons are not defined. Short-, medium- and long-term time horizons can vary between entities and depend on many factors, including industry-specific characteristics, such as cash flow, investment and business cycles, the planning horizons typically used in an entity's industry for strategic decision-making and capital allocation plans, and the time horizons over which users of general purpose financial reports conduct their assessments of entities in that industry.

No undue cost or effort

An entity need not undertake an exhaustive search for information to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. The assessment of what constitutes undue cost or effort depends on the entity's specific circumstances and requires a balanced consideration of the costs and efforts for the entity and the benefits of the resulting information for primary users. That assessment can change over time as circumstances change.

Source

Strategy (continued)

Commercially sensitive information exemption

AASB S2:[D]B34

If an entity determines that information about a climate-related opportunity is commercially sensitive in the limited circumstances described below, the entity is permitted to omit that information from its climate-related financial disclosures. Such an omission is permitted even if information is otherwise required by an Australian Sustainability Reporting Standard and the information is material.

AASB S2:[D]B35

An entity qualifies for the exemption if, and only if:

- Information about the climate-related opportunity is not already publicly available
- Disclosure of that information could reasonably be expected to prejudice seriously the economic benefits the entity would otherwise be able to realise in pursuing the opportunity
- The entity has determined that it is impossible to disclose that information in a manner—for example, at an aggregated level—that would enable the entity to meet the objectives of the disclosure requirements without prejudicing seriously the economic benefits the entity would otherwise be able to realise in pursuing the opportunity.

AASB S2:[D]B36

The entity also reassesses, at each reporting date, whether the information qualifies for the exemption.

AASB S2:[D]B37

An entity cannot use the exemption in relation to a climate-related risk or as a basis for broad non-disclosure of climate-related information.

AASB S2:[D]B36

If an entity elects to use the exemption, the entity, discloses the fact for each item of information omitted.

Nature and social aspects of climate-related risks and opportunities

The ISSB has published [Nature and social aspects of climate-related risks and opportunities](#) to provide guidance to entities on considering nature and social aspects of climate-related reporting.

Nature and social aspects of climate-related risks and opportunities

Entities might identify climate-related risks and opportunities at the nexus of climate and nature (for example, those related to water or deforestation), as well as those closely associated with socioeconomic aspects, such as the just transition to a lower-carbon economy.

Stakeholders have asked whether—and, if so, how—entities should consider such “nature and social aspects” of climate-related risks and opportunities when they apply the requirements in IFRS S2 to prepare their climate-related disclosures.

The educational material, which comprises three examples, explains and illustrates how entities might apply requirements in IFRS S2 and IFRS S1 in such circumstances to provide material information to users of general purpose financial reports.

Business model and value chain

AASB S2:13

An entity discloses information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity discloses:

- A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain
- A description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).

Source

AASB S2:14

Strategy (continued)**Strategy and decision-making**

An entity discloses information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity discloses:

- Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity discloses information about:
 - Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments)
 - Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications)
 - Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains)
 - Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies
 - How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets
- Information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with the above requirements
- Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods.

Disclosing information about an entity's climate-related transition (3.2.1)

Dependencies in the transition plan

An entity's transition plan might have dependencies. Dependencies are critical factors and conditions for an entity's transition plan to be implemented.

Such dependencies might include:

- Dependencies on the entity's workforce (for example, on workers' ability to successfully implement changes in the entity's operations)
- Dependencies on specific ecosystem services (for example, on water availability, regulation of water quality or regulation of hazards, such as floods)
- Dependencies on an emission removal technology that is necessary for an entity to meet its greenhouse gas emissions targets
- Dependencies on a minimum level of resource availability that is required for the entity to implement its transition plan.

Source

Disclosing information about an entity's climate-related transition (3.2.1)

Strategy (continued)

Strategy and decision-making (continued)

Dependencies in the transition plan (continued)

An entity providing information about whether and how it has identified, assessed and taken into account such dependencies might determine that it is relevant to disclose information about:

- What dependencies it has identified
- How it has assessed these dependencies, including the scope and methodology of the assessment (for example, which business operations it has considered in the assessment)
- How it has taken these dependencies into account in its strategic goal, including how they might have resulted in changes to its objectives and priorities.

Key assumptions used in developing the transition plan

The key assumptions used in developing a transition plan are likely to vary among entities, depending on their size, sector and geographical location.

AASB S2 requires that an entity provide information about key assumptions it has used in developing its transition plan. In meeting this requirement the entity might determine that it is relevant to provide information about the timeframe over which any key assumptions are expected to occur.

Depending on the approach an entity has taken, the entity might determine that it is relevant to disclose key assumptions about:

- Policy and regulatory action (for example, existing or future subsidies for research and development, incentives for demand-side behaviours or government action on climate adaptation)
- Decarbonisation (for example, the speed of grid decarbonisation or the availability of important low-carbon inputs at scale)
- Macroeconomic trends (for example, labour availability, cost of borrowing, inflation or interest rates)
- Microeconomic and financial factors (for example, availability of finance, relative prices, cost of capital, margins on major activities or expected capital expenditure needs to acquire, maintain and upgrade fixed assets)
- Technological developments (for example, speed of technological innovation or costs of vital technologies)
- Reliability of data (for example, information about asset location, exposure to physical and transition risks or emissions data)
- Shifts in client and consumer demand (for example, projected demand for new and existing products and services)
- The level of temperature changes over the short, medium and long term
- The physical impacts of the changing climate, and their regional and spatial implications (for example, expected changes in precipitation patterns, water availability, temperatures and extreme weather events, and the expected impacts of these changes on assets and/or supply chains)
- The effectiveness of adaptation efforts and possible limits to adaptation (for example, resilience of assets and/or supply chains to changes in precipitation patterns, droughts, floods, heatwaves and other extreme weather events).

Source

Strategy (continued)**Strategy and decision-making (continued)*****Transition Plan Taskforce sector summary***

The Transition Plan Taskforce (TPT) *Sector Summary* includes sector disclosure recommendations on transition plans for 30 sectors.

The TPT Sector Summary:

- Provides an overview of transition plan guidance for 30 financial and real-economy sectors
- Is a practical guide designed to give entities and users of information about climate-related transition a non-exhaustive summary of the important information and sources of guidance for each sector
- Includes an overview of decarbonisation levers, governance, engagement, business and operational metrics and targets, and greenhouse gas metrics and targets for each sector.

For more information, see Transition Plan Taskforce [Sector Summary](#) (April 2024) and [Section 4](#) of *Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2* (June 2025).

Business model and value chain, mitigation and adaptation efforts

In providing information about how an entity's business model is changing, or is expected to change, the entity might determine that it is relevant to disclose information about:

- Downstream changes, such as:
 - Changes in the entity's portfolio of products and services offered (for example, moving from oil and gas production to renewable electricity generation and retail, or shifting from a 'fast' fashion product portfolio to a 'slow' fashion product portfolio)
 - Entrance or exit from specific markets
- Changes within the business model, such as:
 - Reduction or removal of the entity's office space (for example, a service business selling its offices and becoming fully 'remote')
 - Changes in the channels or methods used to interact with customers (for example, a retailer closing its physical stores and becoming online-only)
 - Changes in 'own' site electricity and fuel usage (for example, moving to renewable sources of electricity or to low- or no-greenhouse-gas-emissions fuels to power machinery)
 - Changes in investment strategies (for example, moving to an investment strategy with a greater focus on asset transition or climate solutions)
 - Changes in production or distribution technology (for example, phasing out diesel-fuelled vehicles and replacing them with electric vehicles)
- Upstream changes, such as:
 - A move to a new supply chain due to significant changes in product design, required inputs or procurement policies
 - Changes in the geographical reach of the entity's value chain.

Disclosing information about an entity's climate-related transition (3.2.2)

Source

Disclosing information about an entity's climate-related transition (3.2.2)

Strategy (continued)

Strategy and decision-making (continued)

Business operations

With regard to short-, medium- and long-term actions an entity is taking, or plans to take, in its business operations, notable actions relating to an entity's business operations might relate to:

- Production processes or equipment (for example, actions to embed more low- or no-greenhouse-gas-emissions technology into production processes or improve energy efficiency)
- Workforce adjustments (for example, actions to reduce in-person meetings and business travel or actions to upskill workers)
- Supply chain and procurement (for example, actions to source products from suppliers with stronger climate commitments, procure alternative goods or raw materials with a lower-greenhouse-gas-emissions footprint, or relocate or diversify the supply chain)
- Locations of offices and operations (for example, moving into more energy-efficient office spaces or re-locating operations to an area with a more secure renewable energy supply)
- Management of assets exposed to risks arising from a changing climate (for example, actions to strengthen the resilience of office spaces to extreme heat or of production facilities to flood or drought risks).

An entity might reasonably provide more detailed information about the actions it plans to take in the short term, than about the actions it plans to take in the medium or long term, reflecting the greater uncertainty attached to planned actions further into the future.

The entity also discloses additional information to help users of general purpose financial reports contextualise the information provided. For example, the entity might determine that it is relevant to provide information about its physical assets that are most pertinent to its business model, including details to help users of its general purpose financial reports assess the credibility and comprehensiveness of the entity's plans to manage or phase out greenhouse-gas-energy-intensive assets. Such details could include exact geolocation, ownership share, production type, capacity, technology, age and the remaining operational lifetime.

Products and services

In providing information about short-, medium- and long-term actions an entity is taking, or plans to take, to change its portfolio of products and services, examples of current and planned changes that an entity might determine that it is relevant to disclose include:

- Increases in the share of low-greenhouse-gas-emissions products and services in its portfolio (for example, products produced using clean technology or low-greenhouse-gas-emissions inputs, new green or transition-related financial products or greater investment in low-greenhouse-gas-emissions assets)
- Plans to phase out high-greenhouse-gas-emissions products and services (for example, plans to replace blast furnaces with electric furnaces or to phase out the sale of vehicles with traditional internal combustion engines).

Details about any taxonomies, tools, methodologies or definitions an entity has used to classify or define products and services might help to provide context for the entity's disclosures.

Disclosing information about an entity's climate-related transition (3.2.2)

Source

Disclosing information about an entity's climate-related transition (3.2.2)

Strategy (continued)

Strategy and decision-making (continued)

Policies and conditions

To implement its strategic goal, an entity might create, or plan to create, policies and conditions. The entity might determine that it is relevant to provide information about the policies and conditions that are expected to make an important contribution to achieving its strategic goal. These policies and conditions will differ depending on the entity's sector, business model, strategic goal and overall implementation and engagement strategies.

Examples of matters that an entity might cover include:

- Energy usage
- Phase-out of greenhouse-gas-intensive assets
- Climate-related considerations in procurement or for suppliers
- Climate-related considerations (for example, thresholds, targets or restrictions) in lending or investment activities
- Adaptation and building resilience to the changing climate
- Supplier engagement
- Portfolio engagement
- Land-use and land-management changes (for example, deforestation)
- Safeguards to mitigate potential adverse impacts on the natural environment
- Human rights
- Labour standards
- Advancement of social equity or mitigation of potential adverse social impacts (for example, on communities).

To provide appropriate context for the policies and conditions described, the entity might determine that it is relevant to disclose the objective of the policy, the nature and scope of the activities to which it relates (for example, how it is applied to specific business lines), the timeframe over which it applies, how it is overseen, and any metrics and targets the entity uses to assess the contribution of the policy to achieving its strategic goal.

Indirect mitigation and adaptation efforts— Engagement strategy

Disclosing information about an entity's climate-related transition (3.2.2)

The development of an entity's response to transition and physical risks and climate-related opportunities involves engagement—for example with the entity's value chain. A value chain refers to the full range of interactions, resources and relationships to an entity's business model and the external environment in which it operates. Some entities might engage, or plan to engage, with a variety of parties on matters related to its transition to a lower-carbon and/or climate-resilient economy. These parties might include industry counterparts, government, regulators, public sector organisations, communities and civil society.

An entity might determine that it is relevant to disclose information about engagement activities that contribute towards achieving its strategic goal—for example, engagement to develop the entity's mitigation and adaptation efforts.

Entities' priorities related to engaging with other entities might differ depending on their strategic goal. An entity might determine that it is relevant to disclose a stakeholder map as part of its explanation of how the entity prioritises engagement activities to maximise its contribution towards achieving its strategic goal.

Source

Strategy (continued)**Strategy and decision-making (continued)*****Indirect mitigation and adaptation efforts— Engagement strategy (continued)***

An entity might determine that it is relevant to disclose the extent to which the entity prioritises engagement with, for example:

- Entities that account for the largest proportion of the entity's Scope 3 greenhouse gas emissions
- Entities over which it has the greatest degree of influence
- Entities that are relevant to its business-critical processes
- Entities that have control, responsibility or influence over major external factors on which achieving its strategic goal depends (for example, suppliers who are developing technologies required for responding to transition and physical risks and climate-related opportunities)
- Small suppliers or customers that require extra support.

Examples of current and planned engagement activities related to an entity's value chain that an entity might determine that it is relevant to disclose include:

- Requests for data and information from individuals and organisations along the value chain
- Initiatives to encourage suppliers to reduce their emissions or develop and implement credible strategic goals
- Work carried out with suppliers to help alleviate deforestation, land conversion or human rights issues relevant to the entity's strategic goal
- Engagement with customers to encourage more sustainable consumption choices.

External requirements, commitments, science-based targets, transition pathways, roadmaps and scenarios

Disclosing information about an entity's climate-related transition (3.2.3)

An entity's strategic goal might be informed by both bottom-up considerations drawn from its own situation and operating context and top-down considerations based on the changes necessary to limit the worst effects of rising global temperatures. In providing information about its approach to meeting its strategic goal, an entity might determine that it is relevant to refer to:

- External requirements (for example, targets that the entity is required to meet by law or regulation)
- Commitments (for example, voluntary commitments made as a member of a net-zero initiative)
- Science-based targets (for example, the Science Based Targets Initiative Criteria and Recommendations for Near-term Targets)
- Transition pathways or roadmaps (for example, the Transition Pathway Initiative Sectoral Decarbonisation Pathways or the Science Based Targets Initiative Sector Decarbonisation Pathways)
- Scenarios (for example, the International Energy Agency Net Zero Emissions by 2050 Scenario or the Network for Greening the Financial System Climate Scenarios).

Funding the implementation of a strategic goal

Disclosing information about an entity's climate-related transition (3.2.4)

An entity disclosing information about how it is resourcing activities to implement its strategic goal might determine that it is relevant to disclose:

- The planned capital expenditure arising from these activities both in absolute terms and, when possible, relative to total capital expenditure over the same time horizon
- The planned funding needs for research and development arising from these activities.

The entity might determine that it is relevant to disclose amounts in ranges or as a percentage of totals.

For more information and industry-specific examples, see [IFRS Foundation publication](#) *Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2* (June 2025).

Source

Strategy (continued)

Strategy and decision-making (continued)



Proposed Federal Government guidance on preparing transition plans

In August 2025, Treasury [released](#) a consultation paper *Climate-related Transition Planning Guidance*.

The document is focused on preparers of climate-related transition plans and outlines a draft transition planning cycle framework (based on the [IFRS Transition Plan Taskforce \(TPT\) framework](#)), which is seen as a continuous cycle of 'assess or reassess', 'set ambition', 'plan actions' and 'implement'.

In relation to the preparation of transition plans, the document adapts the three guiding principles in the IFRS TPT Disclosure Framework of 'ambition', 'action' and 'accountability' into the following topics: foundations, implementation strategy, engagement strategy, metrics and targets and governance.

Treasury is seeking feedback on the draft guidance by 24 September 2025 and expects to finalise the guidance by the end of 2025.

More information about the proposed guidance can be found in section B2.4.

Implications for sustainability reports

Whilst noting that the preparation and publication of transition plans is not mandated under Australia's climate-related financial disclosure regime, the draft guidance notes that AASB S2 requires disclosure of information about any climate-related transition plan the entity has, including key assumptions and dependencies.

Furthermore, the document notes that whilst not mandated in Australia, "organisations should also consider periodically publishing their transition plan in the interest of transparency and credibility".

Source

Strategy (continued)

Financial position, financial performance and cash flows

AASB S2:15

An entity discloses information that enables users of general purpose financial reports to understand:

- The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects)
- The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).

AASB S2:16

Specifically, an entity discloses quantitative and qualitative information about:

- How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period
- The climate-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements
- How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration
 - Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to
 - Its planned sources of funding to implement its strategy
- How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).

AASB S2:17

In providing quantitative information, an entity may disclose a single amount or a range.

Link with strategy and decision making

Disclosing information about anticipated financial effects educational material

As an example of the link between anticipated financial effects and disclosures about strategy and decision-making, AASB S2 requires an entity to provide information about the entity's strategy to mitigate and adapt to climate-related transition and physical risks and respond to climate-related opportunities. This information might include information that is also relevant to anticipated financial effects—for example, information about the effect of the implementation of the entity's transition plan on its financial position, financial performance and cash flows.

In this context, an entity might determine that it is relevant to provide information about:

- Anticipated effects on asset valuations and asset lives (for example, a decrease in the value of an asset as a result of a reduced market for products that are not energy efficient in a lower-carbon economy)
- Anticipated investments into infrastructure that can withstand rising sea levels or extreme weather events.

The entity might determine that this information is relevant for both the disclosure of information about anticipated financial effects and the disclosure of information about its transition planning. To avoid duplication, the entity could determine that it is appropriate to include information by cross-reference within the sustainability-related financial disclosures.

Source

Disclosing information about anticipated financial effects educational material

Disclosing information about an entity's climate-related transition (3.2.5)

Disclosing information about an entity's climate-related transition (3.2.6)

Strategy (continued)

Financial position, financial performance and cash flows (continued)

Link with climate-related metrics

AASB S2 requires an entity to disclose:

- The amount and percentage of assets or business activities vulnerable to climate-related transition and physical risk
- The amount and percentage of assets or business activities aligned with climate-related opportunities.

These metrics could be relevant to disclosures about current and anticipated financial effects, and thus the same information could be presented in a manner that meets more than one disclosure requirement.

For example, assets identified as being vulnerable to climate-related risks might be an example of assets whose carrying amounts are at significant risk of material adjustment within the next annual reporting period.

Effects of implementing a strategic goal on an entity's financial position

An entity disclosing information about the effects of the implementation of its strategic goal on its financial position over the short, medium and long term might determine that it is relevant to provide information about:

- Anticipated effects on asset valuations and asset lives as a result of delivering on the strategic goal (for example, a decrease in the value of an asset as a result of a reduced market for pollutant assets in a lower-carbon economy)
- Anticipated effects on asset valuations as a result of delivering on the strategic goal (for example, an increase in the value of an investment in an entity that produces plant or equipment necessary for the climate-related transition)
- Planned financing arrangements to support business continuity as the entity develops low-greenhouse-gas-products and services
- Effects on the statement of financial position of borrowing to fund the implementation of the strategic goal.

Effects of implementing a strategic goal on an entity's financial performance

An entity disclosing information about the effects of the implementation of its strategic goal on its financial performance over the short, medium and long term might determine that it is relevant to provide information about:

- Anticipated effects on revenues (for example, increased revenue from products and services aligned with a lower-carbon economy or anticipated consumer demand for new low-greenhouse-gas-emissions products and services)
- Anticipated effects on operating costs (for example, initial sunk costs due to implementing new low- or no-greenhouse-gas-emissions technology, losses on disposal of business units, increased commodity risk management costs due to increases in the percentage of renewable energy in the electricity mix or increased costs passed on by suppliers)
- Long-term savings from investments in renewable energy assets
- Impairments due to adverse effects triggered by the transition towards a lower-carbon economy (for example, impairments arising when assets become or are expected to become stranded)
- Anticipated effects on profit margins (for example, reflecting assumptions about the degree to which changes in costs can be passed on to consumers).

Source

Disclosing information about an entity's climate-related transition (3.2.6)

AASB S2:18

AASB S2:19

AASB S2:20

AASB S2:21

Disclosing information about anticipated financial effects educational material

Strategy (continued)

Financial position, financial performance and cash flows (continued)

Effects of implementing a strategic goal on an entity's cash flows

Cash flows are affected by many factors affecting an entity's financial performance.

An entity needs to consider the effects of its strategic goal in its cash flow projections.

Proportionality mechanisms and exceptions

In preparing disclosures about the anticipated financial effects of a climate-related risk or opportunity, an entity:

- Uses all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort
- Uses an approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures.

An entity need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity if the entity determines that:

- Those effects are not separately identifiable, or
- The level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful.

In addition, an entity need not provide quantitative information about the anticipated financial effects of a climate-related risk or opportunity if the entity does not have the skills, capabilities or resources to provide that quantitative information.

Disclosure requirements

If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the above criteria, the entity:

- Explains why it has not provided quantitative information
- Provides qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity
- Provides quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.

All reasonable and supportable information

In determining "all reasonable and supportable information", an entity firstly considers factors that are specific to the entity and secondly considers general conditions in the external environment.

When preparing disclosures on anticipated financial effects, all reasonable and supportable information includes information about past events, current conditions and forecasts of future conditions.

In identifying reasonable and supportable information, companies consider all information that is reasonably available to them, including information they already have.

Source

Disclosing information about anticipated financial effects educational material

Strategy (continued)

Financial position, financial performance and cash flows (continued)

All reasonable and supportable information (continued)

Entities:

- Need only to use information that is available to them at the reporting date including historical, current or forward-looking information (such as forecasts of future conditions)
- Cannot disregard information that is known or publicly available
- Need to have an appropriate basis for using the information.

Undue cost or effort

“Undue cost of effort” is the part of the mechanism that provides the parameter about the cost or effort an entity is required to incur in obtaining information to meet a specific requirement. That is, an entity assesses what constitutes undue cost or effort in obtaining information to meet that requirement.

The “undue cost or effort” mechanism does not exempt an entity from disclosing information. Entities are required to use the information that is available to them to meet disclosure requirements but only the information that is available without undue cost or effort.

The assessment of undue cost or effort:

- Depends on the entity's specific circumstances
- Requires a balanced consideration of the costs and efforts for the entity, and the benefits of the resulting information for investors.

An entity:

- Need not carry out an exhaustive search to obtain information to meet the relevant disclosure requirement
- Considers the benefits for investors and the incremental effort, or costs required to provide such additional information.

To assist companies in determining what information is considered to be available without undue cost or effort, it is noted in paragraph B9 of IFRS S1 that some information is always considered to be available to an entity without undue cost or effort. This information includes information the entity used:

- In preparing its financial statements
- In operating its business model
- In setting its strategy
- In managing its risks and opportunities.

In considering other information that is available without undue cost or effort, it is noted that an entity can carry out a less exhaustive search if the cost of obtaining particular information is proportionately higher for the entity than for other companies with more resources. The information that is available without undue cost or effort to an entity to use in its disclosures can vary depending on its circumstances.

The greater the usefulness of information about a sustainability-related risk or opportunity is to investors, the greater the effort expected of an entity in obtaining that information.

It is also important to highlight that the information that is available and the cost or effort considered undue can change over time.

Source

Disclosing information
about anticipated
financial effects
educational material

Strategy (continued)

Financial position, financial performance and cash flows (continued)

Meaning of “an approach commensurate with the skills, capabilities and resources available to the entity”

An entity's available skills, capabilities and resources might be internal and external. They provide the context to inform the entity's consideration of the potential costs and level of effort required by a particular approach.

The ISSB noted that an entity cannot avoid providing quantitative information for anticipated financial effects because it does not have the skills or capabilities to do so, if it has the resources available to obtain or develop those skills or capabilities. In the absence of such resources, the proportionality mechanisms seek to accommodate the development of skills or capabilities over time.

In addition, although an entity's skills, capabilities and resources are referenced in the relief from providing quantitative disclosures, it is noted it is not always necessary for an entity to be well resourced or to be capable of undertaking sophisticated analysis to provide quantitative information. For example, the quantitative information provided could be information such as amount of planned investment in new energy-efficient equipment included in the entity's near-term budget.

Meaning of “not separately identifiable”

In some cases, it may not be possible to separately identify the financial effects of a sustainability-related risk or opportunity. Financial effects might arise from more than one source and affect several line items in the related financial statements, and therefore isolating the effect of the particular sustainability-related risk or opportunity may not be possible.

For example, an entity has observed a trend of decreasing demand for its products which it believes is partially driven by adverse economic and market conditions, and partially driven by changing consumer demands related to climate considerations. The entity cannot isolate the decrease in demand due to the effects of climate-related risk from the effects of other causes. Notwithstanding that the effects of the climate-related risk are inseparable, the entity provides quantitative information about the combined effects of decreasing demand.

AASB guidance

The AASB has published [Proportionality Mechanisms in AASB S2](#), providing a high-level overview of the proportionality mechanisms in AASB S2, including when and how they apply and considerations in their application.

Regulatory perspectives

ASIC notes that reporting entities should take particular care to ensure adequate sustainability records are kept that substantiate the reporting entity's application of the proportionality mechanisms and exceptions under AASB S2 (if applicable). Given their subjectivity, ASIC notes it may scrutinise the approach of reporting entities in this area.

Disclosing information
about anticipated
financial effects
educational material

ASIC-RG 280.110

Source

Disclosing information about anticipated financial effects educational material

Strategy (continued)

Financial position, financial performance and cash flows (continued)

Disclosure prohibited by law or regulation or is commercially sensitive

An entity does not need to disclose information about current and anticipated financial effects if that would require the disclosure of information that is prohibited by law or regulation or would result in the disclosure of information about opportunities that is commercially sensitive.

For example, if, in response to a climate-related opportunity, an entity has a confidential plan to dispose of a subsidiary in the medium term, it might decide the information provided be limited to describing the overall strategy to respond to the opportunity rather than providing details about the subsidiary and the planned timing of the disposal.

Alternatively, the entity might use the “commercially sensitive information exemption” because it determines that it is in fact not possible to disclose information about the anticipated financial effects of the transaction in a manner that would avoid prejudicing seriously the economic benefits it would otherwise realise from the opportunity.

AASB S2:22

Climate resilience

An entity discloses information that enables users of general purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity uses climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances. In providing quantitative information, the entity may disclose a single amount or a range.

Specifically, the entity discloses each of the matters noted below.

AASB S2:22(a)

Assessment of climate resilience

The entity's assessment of its climate resilience as at the reporting date, which enables users of general purpose financial reports to understand:

- The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis
- The significant areas of uncertainty considered in the entity's assessment of its climate resilience
- The entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including;
 - The availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities
 - The entity's ability to redeploy, repurpose, upgrade or decommission existing assets
 - The effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience.

Source

Strategy (continued)

Climate resilience (continued)

Information about climate-related scenario analysis

AASB S2:22(b)

The entity discloses how and when the climate-related scenario analysis was carried out, including:

- Information about the inputs the entity used, including:
 - Which climate-related scenarios the entity used for the analysis and the sources of those scenarios
 - Whether the analysis included a diverse range of climate-related scenarios
 - Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks
 - Whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change
 - Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties
 - The time horizons the entity used in the analysis
 - What scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis)
- The key assumptions the entity made in the analysis, including assumptions about:
 - Climate-related policies in the jurisdictions in which the entity operates
 - Macroeconomic trends
 - National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources)
 - Energy usage and mix
 - Developments in technology
- The reporting period in which the climate-related scenario analysis was carried out.

Legislative requirements

s.296D(2B)

Where required by the sustainability standards, a disclosure of scenario analysis, information derived from a scenario analysis or information about a scenario analysis must be carried out using at least both of the following scenarios:

- An increase in the global average temperature well exceeds the increase mentioned in subparagraph 3(a)(i) of the *Climate Change Act 2022* (being 2 degrees Celsius above pre-industrial levels)
- An increase in the global average temperature is limited to the increase mentioned in subparagraph 3(a)(ii) of that Act (being 1.5 degrees Celsius above pre-industrial levels).

ASIC-RG 280.99 (Note)

The [Revised Supplementary Explanatory Memorandum](#) to the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024* clarifies that an increase of 2.5 degrees Celsius or higher would “well exceed” 2 degrees Celsius above pre-industrial levels. Therefore, there is a risk that reporting entities do not comply with s.296D(2B)(b) if they use a climate scenario based on an increase that is less than 2.5 degrees Celsius above pre-industrial levels.

Source

Strategy (continued)

Climate resilience (continued)

Legislative requirements (continued)

ASIC-RG 280.100

The key objective of these requirements is to ensure that users have the benefit of information about the reporting entity's climate resilience and material financial risks and opportunities relating to climate that are informed by scenarios that contemplate:

- Rapid global decarbonisation in the near term (lower global warming scenario)
- More pronounced climate impacts over the medium to long term (higher global warming scenario).

ASIC-RG 280.101

These scenarios combined provide insight into the potential climate resilience and material financial risks and opportunities relating to climate of the reporting entity under both high-end physical risk and high-end transition risk.

AASB S2:B12

Approach to scenario analyses

When selecting scenarios, variables and other inputs to use in climate-related scenario analysis, an entity might, for example, use one or more climate-related scenarios—including international and regional scenarios—that are publicly and freely available from authoritative sources. The entity should have a reasonable and supportable basis for using a particular scenario or set of scenarios. For example, an entity with operations concentrated in a jurisdiction where emissions are regulated—or are likely to be regulated in the future—might determine that it is appropriate to carry out its analysis using a scenario consistent with an orderly transition to a lower-carbon economy or consistent with relevant jurisdictional commitments to the latest international agreement on climate change. Elsewhere, for example, an entity with heightened exposure to physical climate-related risks might determine that it is appropriate to carry out its analysis using a localised climate-related scenario that takes into account current policies.

AASB S2:B17

An entity might use a simpler approach to climate-related scenario analysis, such as qualitative scenario narratives, if such an approach is appropriate to the entity's circumstances. For example, if an entity does not currently have the skills, capabilities or resources to carry out quantitative climate-related scenario analysis but has a high degree of exposure to climate-related risk, the entity might initially use a simpler approach to climate-related scenario analysis, but would build its capabilities through experience and, therefore, would apply a more advanced quantitative approach to climate-related scenario analysis over time. An entity with a high degree of exposure to climate-related risks and opportunities, and with access to the necessary skills, capabilities or resources, is required to apply a more advanced quantitative approach to climate-related scenario analysis.

AASB S2:B18

Frequency of scenario analysis

Although AASB S2 requires an entity to disclose information about its climate resilience at each reporting date, the entity might carry out its climate-related scenario analysis in line with its strategic planning cycle, including a multi-year strategic planning cycle (for example, every three to five years). Therefore, in some reporting periods the entity's disclosures in accordance with AASB S2:22(b) could remain unchanged from the previous reporting period if the entity does not conduct a scenario analysis annually.

At a minimum, the entity updates its climate-related scenario analysis in line with its strategic planning cycle. However, an assessment of the entity's resilience is required to be carried out annually to reflect updated insight into the implications of climate uncertainty for the entity's business model and strategy. As such, an entity's disclosure of the results of the entity's resilience assessment is updated at each reporting period.

Source

Risk management

Objective

AASB S2:24

The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.

Disclosures

AASB S2:25

To achieve the risk management disclosure objective, an entity discloses information about:

- The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:
 - The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes)
 - Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks
 - How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria)
 - Whether and how the entity prioritises climate-related risks relative to other types of risk
 - How the entity monitors climate-related risks
 - Whether and how the entity has changed the processes it uses compared with the previous reporting period
- The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities
- The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.

Avoiding duplication

AASB S2:26

In preparing disclosures to fulfil the risk management disclosure requirements, an entity avoids unnecessary duplication. For example, although an entity provides the information required above, if oversight of sustainability-related risks and opportunities is managed on an integrated basis, the entity would avoid duplication by providing integrated risk management disclosures instead of separate disclosures for each sustainability-related risk and opportunity.

AASB S2:Aus26.1

The requirement to avoid unnecessary duplication applies particularly if an entity elects to voluntarily apply AASB S1 to disclose information about other sustainability-related risks and opportunities in addition to climate-related risks and opportunities in general purpose financial reports.

Source

Metrics and targets

Objective

AASB S2:27

The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.

AASB S2:28

To achieve this objective, an entity discloses:

- Information relevant to the cross-industry metric categories
- Targets set by the entity, and any targets it is required to meet by law or regulation, 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 towards these targets.

Compliance with IFRS S2

AASB S2:BC28

In finalising AASB S2, the AASB decided, as an interim measure, not to require industry-based disclosures to be provided and therefore also not to require entities to consider the applicability of disclosure topics (and the industry-based metrics associated with those disclosure topics) defined in the Sustainability Accounting Standards Board (SASB) Standards and *Industry-based Guidance on Implementing IFRS S2* issued by the ISSB.

AASB S2:BC30

Acknowledging constituent feedback, the AASB made decisions regarding the consideration and disclosure of industry-based information as an interim measure, signalling its intention to redeliberate this matter in the near future. The AASB added a project to its workplan with respect to industry-based disclosure requirements. This project will focus on determining the appropriate basis and content of the industry-based disclosures, including assessing the industry-based classification system, the applicability of the industry-based disclosure topics and the industry-based metrics defined in the *Industry-based Guidance on Implementing IFRS S2*. The Treasury Policy Position Statement *Mandatory climate-related financial disclosures* (January 2024) states that "Entities should only be required to disclose against well-established and understood industry-based metrics from 1 July 2030 onwards." Accordingly, the AASB intends to finalise mandatory requirements for industry-based disclosures by 2030.

IFRS S2:28

IFRS S2:32

If an entity wishes to be compliant with IFRS S2, in preparing disclosures to meet the metrics and targets disclosures in this section, in addition to the cross-industry metric categories (as described in AASB S2:29-31), the entity discloses industry-based metrics associated with particular business models, activities or other features that characterise participating in an industry. In determining the industry-based metrics that the entity discloses, the entity refers to and considers the applicability of the industry-based metrics associated with disclosure topics described in the *Industry-based Guidance on Implementing IFRS S2*.

The IFRS Foundation has published [educational material](#) to help entities understand the role of the ISSB industry-based guidance when applying IFRS Sustainability Disclosure Standards.

Proposed changes to the *Industry-based Guidance on Implementing IFRS S2*

In July 2025, the ISSB [released](#) two exposure drafts that would amend the SASB Standards and *Industry-based Guidance on Implementing IFRS S2*.

Under the proposals, metrics in the industry-based guidance would be amended for 10 sectors (i.e. all sectors except the financials sector). In addition, a number of metrics are proposed to be deleted or added across the Industry-based guidance.

More information about the proposals can be found on page E-25. Entities wishing to be compliant with IFRS S2 should monitor these developments.

Source

Metrics and targets (continued)

Overriding disclosures about metrics and targets

Source of metrics

AASB S2:[D]49

If an entity discloses a metric from a source other than Australian Sustainability Reporting Standards, the entity identifies the source of the metric taken.

Entity-developed metrics

AASB S2:[D]50

If a metric has been developed by an entity, the entity discloses information about:

- How the metric is defined, including whether it is derived by adjusting a metric taken from a source other than Australian Sustainability Reporting Standards and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source
- Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure (such as a red, amber, green—or RAG—status)
- Whether the metric is validated by a third party and, if so, which party
- The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made.

Labels and definitions

AASB S2:[D]53

An entity labels and define metrics and targets using meaningful, clear and precise names and descriptions.

Comparative information for metrics

Transitional relief

AASB S2:C3

An entity is not required to provide the disclosures specified in AASB S2 for any period before the date of initial application. Accordingly, an entity is not required to disclose comparative information in the first annual reporting period in which it applies AASB S2.

AASB S2:[D]52

The definition and calculation of metrics, including metrics used to set the entity's targets and monitor progress towards reaching them, is consistent over time.

Metrics that are estimates

AASB S2:[D]B50

In some cases, the amount disclosed for a metric is an estimate. Except as specified (see exceptions below), if an entity identifies new information in relation to the estimated amount disclosed in the preceding period and the new information provides evidence of circumstances that existed in that period, the entity:

- Discloses a revised comparative amount that reflects that new information
- Discloses the difference between the amount disclosed in the preceding period and the revised comparative amount
- Explains the reasons for revising the comparative amount.

Exceptions

AASB S2:[D]B51

In applying the above requirement, an entity need not disclose a revised comparative amount:

- If it is impracticable to do so
- If the metric is forward-looking. Forward-looking metrics relate to possible future transactions, events and other conditions. The entity is permitted to revise a comparative amount for a forward-looking metric if doing so does not involve the use of hindsight.

Source

Metrics and targets (continued)

Comparative information for metrics (continued)

New metrics

AASB S2:[D]B53 If an entity introduces a new metric in the reporting period, it discloses a comparative amount for that metric unless it is impracticable to do so.

Redefined or replaced metrics

AASB S2:[D]B52 If an entity redefines or replaces a metric in the reporting period, the entity:

- Discloses a revised comparative amount, unless it is impracticable to do so
- Explains the changes
- Explains the reasons for those changes, including why the redefined or replacement metric provides more useful information.

Impracticability exception

AASB S2:[D]B54 Sometimes, it is impracticable to revise a comparative amount to achieve comparability with the reporting period. For example, data might not have been collected in the preceding period in a way that allows retrospective application of a new definition of a metric, and it might be impracticable to recreate the data.

AASB S2:[D]B54 If it is impracticable to revise a comparative amount for the preceding period, an entity discloses that fact.

Climate-related metrics

Greenhouse gases

Absolute greenhouse gas emissions

AASB S2:29(a)(i) The entity discloses its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO₂ equivalent, classified as:

- Scope 1 greenhouse gas emissions
- Scope 2 greenhouse gas emissions
- Scope 3 greenhouse gas emissions.

Possible method of presenting this information

Greenhouse gas emissions		31/12/2025 kt CO ₂ -e	31/12/2024 ⁷⁴ kt CO ₂ -e
AASB S2:29(a)(i) AASB S2:29(a)(iv) AASB S2:29(a)(iv)	Scope 1 emissions		
	- Consolidated group		
	- Other investees		
AASB S2:29(a)(i) AASB S2:29(a)(iv) AASB S2:29(a)(iv)	Scope 2 emissions (location-based)		
	- Consolidated group		
	- Other investees		
	Total Scope 1 and Scope 2 emissions		
AASB S2:29(a)(i)	Scope 3 greenhouse gas emissions (see page Error! Bookmark not defined.)⁷⁵		
	Total greenhouse gas emissions		

⁷⁴ Comparative information is not required in the first annual reporting period in which an entity applies AASB S2 (see AASB S2:C3)

⁷⁵ An entity is not required to disclose Scope 3 emissions in the first annual reporting periods in which an entity applies AASB S2 (AASB S2:C4(b)).

Source

Greenhouse Gas
Emissions educational
material (Question 3)

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Disclosure of greenhouse gas emissions generated on a gross basis

AASB S2 requires an entity to disclose its absolute gross greenhouse gas emissions generated during the reporting period. The use of the word 'gross' means the entity measures its greenhouse gas emissions without taking into consideration any removal efforts (for example, through the use of carbon credits). The word 'absolute' means the entity discloses the total amount of GHG emissions instead of, for example, greenhouse gas emissions intensity.

Measurement of greenhouse gas emissions

The entity:

- Measures its greenhouse gas emissions 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
- Discloses the approach it uses to measure its greenhouse gas emissions including:
 - The measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions
 - The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions
 - Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.



Proposed changes to the measurement of greenhouse gas emissions

In April 2025, the ISSB [released](#) an [exposure draft](#) that would amend IFRS S2 *Climate-related Disclosures* to ease the application of certain greenhouse gas emissions disclosures. The AASB [issued](#) an equivalent exposure draft.

The exposure draft proposals would, if implemented, permit entities to use:

- A method for measuring greenhouse gas emissions other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) if a jurisdictional authority or an exchange on which the entity is listed requires the use of a different measurement method for **part** of an entity
- Global warming potential (GWP) values other than the GWP values based on a 100-year time horizon from the latest Intergovernmental Panel on Climate Change assessment available at the reporting date, if a jurisdictional authority or an exchange on which the entity is listed requires the use of different GWP values.

The ISSB exposure draft was open for comment until 27 June 2025. The ISSB has indicated the effective date would be set so that the amendments would be effective as early as possible and to permit early application. As at the date of finalisation of this publication (24 September 2025), the amendments have not been finalised.

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Measurement approach set out in the Greenhouse Gas Protocol

AASB S2:B27

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) includes different measurement approaches that an entity might use when measuring its greenhouse gas emissions. In disclosing information in accordance with AASB S2:29(a)(iii), the entity is required to disclose information about the measurement approach it uses. For example, when the entity discloses its greenhouse gas emissions measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), the entity is required to use the equity share or control approach.

AASB S2:B27

The entity discloses:

- The approach it uses to determine its greenhouse gas emissions (for example, the equity share or control approach in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004))
- The reason, or reasons, for the entity's choice of measurement approach and how that approach relates to the disclosure objective on metrics and targets in AASB S2:27 (i.e. to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation).

AASB S2:B24

Jurisdictional authority or exchange requirements

An entity is required to use the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless the entity is required by a jurisdictional authority or an exchange on which it is listed to use a different method for measuring its greenhouse gas emissions. If the entity is required by a jurisdictional authority or an exchange on which it is listed to use a different method for measuring its greenhouse gas emissions, the entity is permitted to use this method rather than using the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) for as long as the jurisdictional or exchange requirement applies to the entity.

AASB S2:B25

In some circumstances, an entity might be subject to a requirement in the jurisdiction in which it operates to disclose its greenhouse gas emissions for a specific part of the entity or for some of its greenhouse gas emissions (for example, only for Scope 1 and Scope 2 greenhouse gas emissions). In such circumstances, the jurisdictional requirement does not exempt the entity from applying the requirements in AASB S2 to disclose the entity's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for the entity as a whole.

AASB S2:C4

Transitional relief

In the first annual reporting period in which an entity applies AASB S2, if, in the annual reporting period immediately preceding the date of initial application of AASB S2, the entity used a method for measuring its greenhouse gas emissions other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), the entity is permitted to continue using that method.

AASB S2:C5

If the entity uses this transitional relief, the entity is permitted to continue to use that relief for the purposes of presenting that information as comparative information in subsequent reporting periods.

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Additional disclosures where other methods are used

AASB S2:B28

AASB S2:27

When an entity discloses its greenhouse gas emissions measured in accordance with another method (i.e. due to jurisdictional authority or exchange requirements or where the transitional relief is applied), the entity discloses:

- The applicable method and measurement approach the entity users to determine its greenhouse gas emissions
- The reasons, or reasons, for the entity's choice of method and measurement approach and how that approach relates to the disclosure objective on metrics and targets in AASB S2:27 (i.e. to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation).

Emission factors

AASB S2:B29

As part of an entity's disclosure of the measurement approach, inputs and assumptions, the entity discloses information to enable users of general purpose financial reports to understand which emission factors the entity uses in its measurement of its greenhouse gas emissions.

AASB S2:B29

AASB S2 does not specify emission factors an entity is required to use in its measurement of its greenhouse gas emissions. Instead, AASB S2 requires an entity to use emission factors that best represent the entity's activity as its basis for measuring its greenhouse gas emissions.

Disaggregated Scope 1 and 2 emissions

AASB S2:29(a)(iv)

For Scope 1 and Scope 2 greenhouse gas emissions disclosed, the entity disaggregates emissions between:

- The consolidated accounting group (for example, for an entity applying Australian Accounting Standards, this group would comprise the parent and its consolidated subsidiaries)
- Other investees (for example, for an entity applying Australian Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries).

Location-based Scope 2 emissions

AASB S2:29(a)(v)

For Scope 2 greenhouse gas emissions, the entity:

- Discloses its location-based Scope 2 greenhouse gas emissions
- Provides information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions.

AASB S2:B30

For the avoidance of doubt, an entity is required to disclose its Scope 2 greenhouse gas emissions using a location-based approach and is required to provide information about contractual instruments only if such instruments exist and information about them informs users' understanding of an entity's Scope 2 greenhouse gas emissions.

AASB S2:B31

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). Various types of contractual instruments are available in different markets and the entity might disclose information about its market-based Scope 2 greenhouse gas emissions as part of its disclosure.

Source

Metrics and targets (continued)**Climate-related metrics (continued)****Greenhouse gases (continued)****Scope 3 emissions**

AASB S2:29(a)(vi)

For Scope 3 greenhouse gas emissions, the entity discloses:

- The categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)
- Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance (see below).

Possible method of presenting this informationAASB S2:29(a)(vi)
AASB S2:B55

Scope 3 greenhouse gas category⁷⁶	Measurement approach, inputs and assumptions	31/12/2025 kt CO₂-e	31/12/2024⁷⁷ kt CO₂-e
Category 1 – Purchased goods and services	<i>[Describe]</i>		
Category 2 – Capital goods	<i>[Describe]</i>		
Category 3 – Fuel and energy related activities	<i>[Describe]</i>		
Category 4 – Upstream transportation and distribution	<i>[Describe]</i>		
Category 5 – Waste generated in operations	<i>[Describe]</i>		
Category 6 – Business travel	<i>[Describe]</i>		
Category 7 – Employee commuting	<i>[Describe]</i>		
Category 8 – Upstream leased assets	<i>[Describe]</i>		
Category 9 – Downstream transportation and distribution	<i>[Describe]</i>		
Category 10 – Processing of sold products	<i>[Describe]</i>		
Category 11 – Use of sold products	<i>[Describe]</i>		
Category 12 – End-of-life treatment of sold products	<i>[Describe]</i>		
Category 13 – Downstream leased assets	<i>[Describe]</i>		
Category 14 - Franchises	<i>[Describe]</i>		
Category 15 - Investments	<i>[Describe]</i>		

Transitional relief

AASB S2:C4(b)

In the first annual reporting periods in which an entity applies AASB S2, the entity is not required to disclose its Scope 3 greenhouse gas emissions, which includes, if the entity participates in asset management, commercial banking or insurance activities, the additional information about its financed emissions.

⁷⁶ An entity is not required to include line items for all 15 categories unless they are relevant sources of Scope 3 greenhouse gas emissions. For more information, see *Inclusion of all 15 categories of Scope 3 emissions* on page E-57. Furthermore, additional information is required about the entity's Scope 3 emissions (as outlined on the following pages).

⁷⁷ Comparative information is not required in the first annual reporting period in which an entity applies AASB S2 (see AASB S2:C3)

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Guidance on Scope 3 emissions

AASB S2:B32

The entity considers its entire value chain (upstream and downstream) and considers all 15 categories of Scope 3 greenhouse gas emissions, as described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). In accordance with AASB S2:29(a)(vi), the entity discloses which of these categories are included in its Scope 3 greenhouse gas emissions disclosures.

AASB S2:B33

For the avoidance of doubt, regardless of the method an entity uses to measure its greenhouse gas emissions, an entity is required to disclose the categories included within its measure of Scope 3 greenhouse gas emissions as described in AASB S2:29(a)(vi).

AASB S2:B36

To determine the scope of the value chain, which includes its breadth and composition, an entity uses all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort.

AASB S2:B40

An entity's measurement of Scope 3 greenhouse gas emissions relies upon a range of inputs. AASB S2 does not specify the inputs the entity is required to use to measure its Scope 3 greenhouse gas emissions, but does require the entity to prioritise inputs and assumptions using these identifying characteristics (which are listed in no particular order):

- Data based on direct measurement (i.e. the direct monitoring of greenhouse gas emissions)
- Data from specific activities within the entity's value chain
- Timely data that faithfully represents the jurisdiction of, and the technology used for, the value chain activity and its greenhouse gas emissions
- Data that has been internally or externally verified (including on-site checking, reviewing calculations, or cross-checking of data against other sources).

AASB S2:B55

An entity discloses information about the measurement approach, inputs and assumptions it uses to measure its Scope 3 greenhouse gas emissions in accordance with AASB S2:29(a)(iii). This disclosure includes information about the characteristics of the data inputs as described in AASB S2:B40 (as outlined above). The purpose of this disclosure is to provide users of general purpose financial reports with information about how the entity has prioritised the highest quality data available, which faithfully represents the value chain activity and its Scope 3 greenhouse gas emissions. This disclosure also helps users of general purpose financial reports to understand why the measurement approach, inputs and assumptions the entity uses to estimate its Scope 3 greenhouse gas emissions are relevant.

AASB S2:B56

As part of the requirement to disclose the approach it uses to measure greenhouse gas emissions, and to reflect how an entity prioritises Scope 3 data in accordance with the measurement framework set out in AASB S2:B40–B54, the entity discloses information that enables users of general purpose financial reports to understand:

- The extent to which the entity's Scope 3 greenhouse gas emissions are measured using inputs from specific activities within the entity's value chain
- The extent to which the entity's Scope 3 greenhouse gas emissions are measured using inputs that are verified.

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Impracticable to estimate Scope 3 emissions

AASB S2:B57

AASB S2 includes the presumption that Scope 3 greenhouse gas emissions can be estimated reliably using secondary data and industry averages.

AASB S2:B57

In those rare cases when an entity determines it is impracticable to estimate its Scope 3 greenhouse gas emissions, the entity discloses how it is managing its Scope 3 greenhouse gas emissions.

AASB S2:B57

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so.

Regulatory perspectives

ASIC-RG 280.106

ASIC notes that:

- The accuracy of estimation techniques may improve over time, as the quality and availability of data for reporting scope 3 greenhouse gas emissions (and the cost and effort in obtaining it) improves
- The extent of a reporting entity's reliance on the use of secondary data (such as industry averages) to measure its scope 3 greenhouse gas emissions may evolve over time, as the availability and quality of data (and the likely cost and effort in obtaining it) improves.

Financed emissions⁷⁸

AASB S2:B59

AASB S2:29 (a)(i)(3) requires an entity to disclose its absolute gross Scope 3 greenhouse gas emissions generated during the reporting period, including upstream and downstream emissions. An entity that participates in one or more of the following financial activities is required to disclose additional and specific information about its Category 15 emissions or those emissions associated with its investments which is also known as "financed emissions":

- Asset management
- Commercial banking
- Insurance.

AASB S2:[A]8

Financed emissions are defined in AASB S2 as the portion of gross greenhouse gas emissions of an investee or counterparty attributed to the loans and investments made by an entity to the investee or counterparty. These emissions are part of Scope 3 Category 15 (investments) as defined in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Asset management activities

AASB S2:B61

An entity that participates in asset management activities discloses:

- Its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions
- For each of the disaggregated items listed in the previous bullet, the total amount of assets under management (AUM) that is included in the financed emissions disclosure, expressed in the presentation currency of the entity's financial statements
- The percentage of the entity's total AUM included in the financed emissions calculation. If the percentage is less than 100%, the entity discloses information that explains the exclusions, including types of assets and associated amount of AUM
- The methodology used to calculate the financed emissions, including the method of allocation the entity used to attribute its share of emissions in relation to the size of investments.

⁷⁸ The ISSB is proposing certain changes in relation to the disclosure of financed emissions. See *Proposed changes to the disclosure of financed emissions* on page E-46 for more information.

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Commercial banking activities

AASB S2:B62

An entity that participates in commercial banking activities discloses:

- Its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for each industry by asset class. When disaggregating by:
 - Industry—the entity uses the Global Industry Classification Standard (GICS) 6-digit industry-level code for classifying counterparties, reflecting the latest version of the classification system available at the reporting date
 - Asset class—the disclosure includes loans, project finance, bonds, equity investments and undrawn loan commitments. If the entity calculates and discloses financed emissions for other asset classes, it includes an explanation of why the inclusion of those additional asset classes provides relevant information to users of general purpose financial reports
- Its gross exposure to each industry by asset class, expressed in the presentation currency of the entity's financial statements. For:
 - Funded amounts—gross exposure calculated as the funded carrying amounts (before subtracting the loss allowance, when applicable), whether prepared in accordance with Australian Accounting Standards or other GAAP
 - Undrawn loan commitments—the entity discloses the full amount of the commitment separately from the drawn portion of loan commitments.
- The percentage of the entity's gross exposure included in the financed emissions calculation. The entity:
 - If the percentage of the entity's gross exposure included in the financed emissions calculation is less than 100%, discloses information that explains the exclusions, including the type of assets excluded
 - For funded amounts, excludes from gross exposure all impacts of risk mitigants, if applicable.
 - Discloses separately the percentage of its undrawn loan commitments included in the financed emissions calculation
- The methodology the entity used to calculate its financed emissions, including the method of allocation the entity used to attribute its share of emissions in relation to the size of its gross exposure.

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Financial activities associated with the insurance industry

AASB S2:B63

An entity that participates in financial activities associated with the insurance industry discloses:

- Its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for each industry by asset class. When disaggregating by:
 - Industry—the entity uses the Global Industry Classification Standard (GICS) 6-digit industry-level code for classifying counterparties, reflecting the latest version of the classification system available at the reporting date
 - Asset class—the disclosure includes loans, bonds and equity investments, as well as undrawn loan commitments. If the entity calculates and discloses financed emissions for other asset classes, it includes an explanation of why the inclusion of those additional asset classes provides relevant information to users of general purpose financial reports
- The gross exposure for each industry by asset class, expressed in the presentation currency of the entity's financial statements. For:
 - Funded amounts—gross exposure calculated as the funded carrying amounts (before subtracting the loss allowance, when applicable), whether prepared in accordance with Australian Accounting Standards or other GAAP
 - Undrawn loan commitments—the entity discloses the full amount of the commitment separately from the drawn portion of loan commitments
- The percentage of the entity's gross exposure included in the financed emissions calculation. The entity:
 - If the percentage of the entity's gross exposure included in the financed emissions calculation is less than 100%, discloses information that explains the exclusions, including type of assets excluded.
 - Discloses separately the percentage of its undrawn loan commitments included in the financed emissions calculation
- The methodology the entity used to calculate its financed emissions, including the method of allocation the entity used to attribute its share of emissions in relation to the size of its gross exposure.

AASB S2:AusB63.1

For the purposes of disclosing disaggregated financed emissions by industry, the latest version of the Global Industry Classification Standard (GICS) available at the reporting date means the version that incorporates amendments to August 2024.

Source

Metrics and targets (continued)**Climate-related metrics (continued)****Greenhouse gases (continued)****Proposed changes to the disclosure of financed emissions**

In April 2025, the ISSB [released](#) an [exposure draft](#) that would amend IFRS S2 *Climate-related Disclosures* to ease the application of certain greenhouse gas emissions disclosures. The AASB [issued](#) an equivalent exposure draft.

The exposure draft proposals would, if implemented:

- Permit entities to limit their disclosure of Scope 3 Category 15 greenhouse gas emissions (i.e. financed emissions) to emissions attributed to loans and investments made by the entity to an investee or counterparty. This would then exclude emissions such as those associated with derivatives, facilitated emissions and insurance-associated emissions
- Amend the requirement for entities with commercial banking or insurance activities to disclose disaggregated greenhouse gas emissions by industry to allow an entity to use an alternative industry classification system to the Global Industry Classification Standard (GICS) in some circumstances
- Require additional disclosures about excluded emissions and alternative industry classification systems.

The ISSB exposure draft was open for comment until 27 June 2025. The ISSB has indicated the effective date so that the amendments would be effective as early as possible and to permit early application.

Inclusion of all 15 categories of Scope 3 emissions

An entity is not required to include all 15 categories in the Greenhouse Gas Protocol Corporate Value Chain Standard in its measure of its Scope 3 greenhouse gas emissions. However, an entity is required to consider all 15 categories and to determine which categories are relevant.

An entity is required to include the GHG emissions associated with each relevant category in its Scope 3 GHG emissions if this disclosure would provide primary users with material information. As a result, the categories that are included in an entity's measure of its Scope 3 GHG emissions and the particular GHG emissions within a category that are included within the measurement depend on the entity's specific facts and circumstances.

The GHG Protocol Corporate Value Chain Standard provides a list of the Scope 3 categories and describes each category (these categories are also listed in Appendix A of AASB S2). To determine which categories are relevant, an entity is required to consider its entire value chain, both upstream and downstream. Although an entity is required to consider the relevance of all 15 categories— including by considering whether information about the GHG emissions within those categories and their measurement would provide material information about an entity's exposure to transition risk—it might find that not all are relevant. In this case, the entity might exclude some categories from the measurement of its Scope 3 GHG emissions.

In considering whether GHG emissions information about those categories is material, the entity assesses whether omitting, misstating or obscuring the specific GHG emissions information related to the category could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports.

AASB S2 requires an entity to disclose the categories included within the entity's measure of its Scope 3 GHG emissions (AASB S2:29(a)(vi)(1)). This disclosure helps primary users understand the sources of an entity's Scope 3 GHG emissions as part of information about an entity's exposure to transition risk.

Greenhouse Gas Emissions educational material (Question 4)

Source

Metrics and targets (continued)**Climate-related metrics (continued)****Greenhouse gases (continued)*****Measurement and disclosure based on minimum boundaries in the Greenhouse Gas Protocol Corporate Value Chain Standard***

Greenhouse Gas Emissions educational material (Question 5)

AASB S2 requires that entities disclose material information about their Scope 3 greenhouse gas emissions considering all of the categories set out in the Greenhouse Gas Protocol Corporate Value Chain Standard. Australian Sustainability Reporting Standards also require that entities consider their entire value chain when providing information about the sustainability-related risks and opportunities that could reasonably be expected to affect their prospects. This means that an entity applying AASB S2 cannot limit its measurement and disclosure of Scope 3 GHG emissions on the basis of the minimum boundaries outlined in the Greenhouse Gas Protocol Corporate Value Chain Standard.

Interaction of ASRS with the Greenhouse Gas Protocol Corporate Standard

Greenhouse Gas Emissions educational material (Question 2)

An entity is required to measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol Corporate Standard 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 (AASB S2:29(a)(ii)). The requirements of the Greenhouse Gas Protocol Corporate Standard are applied only to the extent they do not conflict with AASB S2 (AASB S2:B23). This requirement on avoiding conflict is particularly important because AASB S2 includes some requirements related to the measurement of greenhouse gas emissions.

The Greenhouse Gas Protocol Corporate Standard includes requirements and guidance beyond the measurement of greenhouse gas emissions. However, AASB S2 does not reference the Greenhouse Gas Protocol Corporate Standard's requirements beyond measurement. For example, an entity applying AASB S2 is not required to disclose "emissions data for direct CO₂ emissions from biologically sequestered carbon (for example, CO₂ from burning biomass/ biofuels)" separately from the scopes of greenhouse gas emissions—even though this disclosure is required in the Greenhouse Gas Protocol Corporate Standard.

Greenhouse Gas Emissions educational material (Question 6)

Furthermore, there is no conflict between the concept of the reporting entity and the identification of the organisation boundary for the measurement of greenhouse gas emissions as they serve distinct purposes. The reporting entity is the entity about which information is required to be provided and is a conceptual foundation of applying Australian Sustainability Reporting Standards. This requirement ensures that there is connectivity between the entity reporting using Australian Sustainability Reporting Standards and the entity reflected in the related financial statements.

The determination of the organisational boundary—as required by the Greenhouse Gas Protocol Corporate Standard—is used in measuring the GHG emissions of the reporting entity. The organisational boundary affects which operations' direct greenhouse gas emissions are included in the measurement of a reporting entity's Scope 1 greenhouse gas emissions, and how greenhouse gas emissions of the reporting entity are classified between scopes.

AASB S2 requires an entity to use the Greenhouse Gas Protocol Corporate Standard to measure greenhouse gas emissions except in limited circumstances. In measuring greenhouse gas emissions in accordance with the Greenhouse Gas Protocol Corporate Standard, AASB S2 requires an entity to select either the equity share approach or the control approach. The Greenhouse Gas Protocol Corporate Standard refers to these approaches as "consolidation approaches" and AASB S2 refers to these approaches as "measurement approaches".

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Exposure to climate-related risks and opportunities

AASB S2:29(b)-(d)

The entity discloses:

- The amount and percentage of assets or business activities vulnerable to climate-related transition risks
- The amount and percentage of assets or business activities vulnerable to climate-related physical risks
- The amount and percentage of assets or business activities aligned with climate-related opportunities.

AASB S2:30

In preparing disclosures to meet these requirements, an entity uses all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort.

Capital deployment

AASB S2:29(e)

The entity discloses the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.

Internal carbon prices

AASB S2:29(f)

The entity discloses:

- An explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis)
- The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions.

Remuneration

AASB S2:29(g)

The entity discloses:

- A description of whether and how climate-related considerations are factored into executive remuneration
- The percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.

Disclosing information about an entity's climate-related transition (3.1.3)

Impacts of climate-related transition

In disclosing information about the percentage of executive management remuneration linked to metrics related to a strategic goal, the approach might vary throughout the entity's executive population. In such cases, the disclosure of averages or ranges may provide relevant information in the entity's summary of practice.

In describing whether and how remuneration and incentive structures for all employees are aligned with the strategic goal, an entity might determine that it is relevant to include:

- Information about whether remuneration and incentive structures relate to the entire workforce, or only to some roles or teams
- The metric(s) used
- The proportion or number of employees whose performance-related pay is aligned with the metric(s)
- The incentive vehicle in which the metric(s) exists (for example, annual bonus and/or long-term incentive plan).

Source

AASB S2:31
AASB S2:B64-B65

Metrics and targets (continued)

Climate-related metrics (continued)

Considerations in preparing climate-related metrics

In preparing disclosures to fulfil the climate-related metrics requirements, an entity:

- Considers the time horizons over which the effects of climate-related risks and opportunities could reasonably be expected to occur, over the short, medium and long term
- Considers where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities or types of assets)
- Considers the information disclosed in accordance with AASB S2:16(a)–(b) in relation to the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period
- Consider the connections between the information disclosed to fulfil the requirements with the information disclosed in the related financial statements. These connections include consistency in the data and assumptions used—to the extent possible—and linkages between the amounts disclosed and the amounts recognised and disclosed in the financial statements. For example, an entity would consider whether the carrying amount of assets used is consistent with amounts included in the financial statements and would explain the connections between information in these disclosures and amounts in the financial statements.

AASB S2:33

Climate-related targets

An entity discloses the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets.

AASB S2:33(a)–(h)

Information about each target

For each target, the entity discloses:

- The metric used to set the target
- The objectives of the target (for example, mitigation, adaptation or conformance with science-based initiatives)
- The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region)
- The period over which the target applies
- The base period from which progress is measured
- Any milestones and interim targets
- If the target is quantitative, whether it is an absolute target or an intensity target
- How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.

Source

Disclosing information about an entity's climate-related transition (3.3.2)

Disclosing information about an entity's climate-related transition (3.3.2)

Metrics and targets (continued)

Climate-related targets (continued)

Targets associated with an entity's climate-related transition

Providing details about climate-related targets associated with an entity's climate-related transition will help an entity ensure that users of its general purpose financial reports have the context required to interpret the target. In particular, information that is likely to be useful for users of general purpose financial reports includes:

- Contextual information necessary to understand what is being measured and the objective of the target
- Information about any interim milestones or targets that the entity expects to meet
- Information about how the target was informed by or aligns with any external benchmarks (for example, with the latest international agreement on climate change)
- Information about the expected trajectory for achieving the target (for example, information about whether an entity expects a linear reduction or increase towards a particular target or an s-curve trajectory, or whether an entity foresees obstacles or sudden changes, such as the planned phasing out of specific assets).

Governance, engagement, business and operational metrics and targets

In disclosing information about targets related to governance, an entity might determine that it is relevant to disclose information about targets in areas such as:

- Remuneration (for example, the proportion of individuals with remuneration linked to progress against the entity's strategic goal)
- Skills
- Competencies
- Training (for example, the percentage of at-risk workers being offered retraining or redeployment).

In disclosing information about targets related to engagement, an entity might consider including any targets related to the nature of engagement activities (for example, the number of engagements with suppliers about their climate-related transitions and the number of engagements with clients to ensure a just transition) as well as the outcome of the engagement activities (for example, evidence of greenhouse gas emissions reductions by suppliers or evidence of social dialogue in clients' climate-related transition plans). These targets might relate to engagements with the value chain.

In disclosing information about any targets related to business and operations, an entity might consider including targets related to:

- Business and operations (for example, energy consumption per unit produced, the number of factories located in flood zones, the percentage of water withdrawn in areas with high water stress or the number of sustainable jobs created)
- Products and services (for example, the proportion or number of products and/or services with no- or low-greenhouse-gas emissions, support the transition towards a lower-carbon economy, or are vulnerable to transition and physical risks).

The entity might also consider including related metrics and targets related to a just transition.

Source

Metrics and targets (continued)**Climate-related targets (continued)*****Metrics and targets, relevant to an entity's business, sector and strategy***

In disclosing information about targets, an entity might determine that it is relevant to include targets related to:

- Climate value at risk from physical changes in climate and the transition to a low-greenhouse-gas-emissions economy
- No- or low-greenhouse-gas-emissions capital expenditure
- No- or low-greenhouse-gas-emissions research and development investments
- Revenue from no- or low-greenhouse-gas-emissions products and services
- The proportion of financial assets that are no- or low-greenhouse-gas-emissions financial assets
- The proportion of total long-term capital assets that are no- or low-greenhouse-gas-emissions long-term capital assets
- The percentage of total fuel that is no- or low-greenhouse-gas-emissions
- Procurement from no- or low-greenhouse-gas-emissions suppliers.

Setting and reviewing targets

AASB S2:34(a)-(d)

An entity discloses information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:

- Whether the target and the methodology for setting the target has been validated by a third party
- The entity's processes for reviewing the target
- The metrics used to monitor progress towards reaching the target
- Any revisions to the target and an explanation for those revisions

Performance

AASB S2:35

An entity discloses information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.

Greenhouse gas emissions targets

AASB S2:36 (a)-(d)

For each greenhouse gas emissions target, an entity discloses:

- Which greenhouse gases are covered by the target
- Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target
- Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target
- Whether the target was derived using a sectoral decarbonisation approach.

Gross and net greenhouse gas emissions targets

AASB S2:B68

If an entity has a greenhouse gas emissions target, the entity is required to specify whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. Gross greenhouse gas emissions targets reflect the total changes in greenhouse gas emissions planned within the entity's value chain. Net greenhouse gas emissions targets are the entity's targeted gross greenhouse gas emissions minus any planned offsetting efforts (for example, the entity's planned use of carbon credits to offset its greenhouse gas emissions).

AASB S2:B69

If an entity has a net greenhouse gas emissions target it is required to also disclose a gross greenhouse gas emissions target. For the avoidance of doubt, if the entity discloses a net greenhouse gas emissions target, this target cannot obscure information about its gross greenhouse gas emissions targets.

Source

Metrics and targets (continued)

Climate-related targets (continued)

Gross and net greenhouse gas emissions targets (continued)

AASB S2:36(e)(i)-(iv)

An entity discloses its planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity discloses information including,

- The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits
- Which third-party scheme(s) will verify or certify the carbon credits
- The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal
- Any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).

AASB S2:Aus37.1

In identifying and disclosing the metrics used to set and monitor progress towards reaching a target, an entity refers to and considers the applicability of cross-industry metrics*.

** See Compliance with IFRS S2 on page E-44 for additional information for entities seeking their sustainability report to be compliant with IFRS S2.*

AASB S2:B70

Carbon credits

AASB S2:36(e) requires an entity to describe its planned use of carbon credits—which are transferable or tradeable instruments—to offset emissions to achieve any net greenhouse gas emissions targets the entity has set, or any it is required to meet by law or regulation. Any information about the planned use of carbon credits clearly demonstrates the extent to which these carbon credits are relied on to achieve the net greenhouse gas emissions targets.

AASB S2:B71

In accordance with paragraph 36(e), an entity is required to disclose only its planned use of carbon credits. However, as part of this disclosure, the entity might also include information about carbon credits it has already purchased that the entity is planning to use to meet its net greenhouse gas emissions target, if the information enables users of general purpose financial reports to understand the entity's greenhouse gas emissions target.

Greenhouse Gas Emissions educational material (Question 11)

Requirement to set greenhouse gas emissions targets

AASB S2 does not require entities to set greenhouse gas emissions targets. However, AASB S2 requires an entity to disclose information about any greenhouse gas emissions targets the entity has set.

Source

Greenhouse Gas
Emissions educational
material (Question 12)

Metrics and targets (continued)

Climate-related targets (continued)

Specific information on net greenhouse gas emissions targets

The requirement for an entity to separately provide the associated gross greenhouse gas emissions targets when it has a net GHG emissions target enables primary users of general purpose financial reports to understand the entity's efforts to reduce its gross greenhouse gas emissions and its net greenhouse gas emissions.

If an entity sets net greenhouse gas emissions targets and plans to use carbon credits to achieve the target, the entity is required to disclose additional information about the use of carbon credits. This information is designed to provide transparency about the entity's planned use of carbon credits and information about those carbon credits.

AASB S2 also requires an entity to disclose any other factors necessary for primary users to understand the credibility and integrity of the carbon credits the entity plans to use, including, for example, information about assumptions regarding the permanence of the carbon offset. This disclosure requirement was included in response to stakeholders identifying "permanence" and "additionality" as two essential features for assessing the quality of carbon offset schemes.

"Permanence" refers to how long the greenhouse gas emissions will be safely removed from the atmosphere. "Additionality" refers to whether a particular investment has brought about any new climate benefits that would not have occurred without the investment. Although these metrics can be useful, assessing permanence and additionality is complex. Therefore, AASB S2 does not require an entity to disclose its assessment of permanence and additionality. Instead, the entity is required to disclose information about any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the credits the entity plans to use. This requirement was included to provide users with information that enables them to assess additionality and permanence.

Source

ASSA 5010:10(a)

Other disclosures**Assurance requirements**

For the First Year of Reporting the auditor conducts a review over the disclosures (including related general disclosures in Appendix D to AASB S2) relating to governance, strategy (specific to risks and opportunities) and Scope 1 and Scope 2 greenhouse gas emissions (as identified earlier in this document).

Accordingly, where disclosures in this section (e.g. judgements and measurement uncertainties) or elsewhere in the report are made directly in relation to items that are subject to assurance in an entity's first year of mandatory sustainability reporting, those disclosures will also be subject to assurance.

AASB S2:[D]72

Statement of compliance

An entity whose climate-related financial disclosures comply with all the requirements of AASB S2 makes an explicit and unreserved statement of compliance. An entity cannot describe climate-related financial disclosures as complying with AASB S2 unless they comply with all the requirements of AASB S2.

AASB S2:AusC1.1

Early application

An entity applies AASB S2 for annual reporting periods beginning on or after 1 January 2025*. Earlier application is permitted. If an entity applies AASB S2 earlier, it discloses that fact.

** Note: Although AASB S2 is applicable for annual reporting periods beginning on or after 1 January 2025, entities need to consider their reporting mandate under the Corporations Act when determining their specific mandatory reporting period. More information can be found in section B2.1.3 "Phased approach to implementation".*

AASB S2:[D]22

Financial statements

The entity identifies the financial statements to which the climate-related disclosures relate.

AASB S2:[D]66

Changes in reporting period

When an entity changes the end of its reporting period and provides climate-related financial disclosures for a period longer or shorter than 12 months, it discloses:

- The period covered by the climate-related financial disclosures
- The reason for using a longer or shorter period
- The fact that the amounts disclosed in the climate-related financial disclosures are not entirely comparable.

AASB S2:[D]74

Judgements

An entity discloses information to enable users of general purpose financial reports to understand the judgements, apart from those involving estimations of amounts, that the entity has made in the process of preparing its climate-related financial disclosures and that have the most significant effect on the information included in those disclosures.

AASB S2:[D]75

In the process of preparing climate-related financial disclosures, an entity makes various judgements, apart from those involving estimations, that can significantly affect the information reported in the entity's climate-related financial disclosures. For example, an entity makes judgements in:

- Identifying climate-related risks and opportunities that could be reasonably expected to affect the entity's prospects
- Determining which sources of guidance to apply
- Identifying material information to include in the climate-related financial disclosures
- Assessing whether an event or change in circumstances is significant and requires reassessment of the scope of all affected climate-related risks and opportunities throughout the entity's value chain.

Source

Other disclosures (continued)

Measurement uncertainty

AASB S2:[D]77

An entity discloses information to enable users of general purpose financial reports to understand the most significant uncertainties affecting the amounts reported in its climate-related financial disclosures.

AASB S2:[D]78

An entity:

- Identifies the amounts that it has disclosed that are subject to a high level of measurement uncertainty
- In relation to each amount identified, discloses information about:
 - The sources of measurement uncertainty—for example, the dependence of the amount on the outcome of a future event, on a measurement technique or on the availability and quality of data from the entity's value chain
 - The assumptions, approximations and judgements the entity has made in measuring the amount.

AASB S2:[D]80

The requirement for an entity to disclose information about the uncertainties affecting the amounts reported in climate-related financial disclosures relates to the estimates that require the entity's most difficult, subjective or complex judgements. As the number of variables and assumptions increases, those judgements become more subjective and complex, and the uncertainty affecting the amounts reported in the climate-related financial disclosures increases accordingly.

AASB S2:[D]81

The type and extent of the information an entity might need to disclose vary according to the nature of the amount reported in the climate-related financial disclosures—the sources of and the factors contributing to the uncertainty and other circumstances. Examples of the type of information an entity might need to disclose are:

- The nature of the assumption or other source of measurement uncertainty
- The sensitivity of the disclosed amount to the methods, assumptions and estimates underlying its calculation, including the reasons for the sensitivity
- The expected resolution of an uncertainty and the range of reasonably possible outcomes for the disclosed amount
- An explanation of changes made to past assumptions concerning the disclosed amount, if the uncertainty remains unresolved.

Subsequent events and conditions

AASB S2:[D]68

An entity discloses information about transactions, other events and conditions that occur after the end of the reporting period, but before the date on which the climate-related financial disclosures are authorised for issue, if non-disclosure of that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports.

AASB S2:[D]67

If, after the end of the reporting period but before the date on which the climate-related financial disclosures are authorised for issue, an entity receives information about conditions that existed at the end of the reporting period, it updates disclosures that relate to those conditions in the light of the new information.

Source

Other disclosures (continued)

Errors

AASB S2:[D]83

An entity corrects material prior period errors by restating the comparative information for the prior period(s) disclosed under it is impracticable to do so.

AASB S2:[D]B59

When it is impracticable to determine the effect of an error on all prior periods presented, the entity restates the comparative information to correct the error from the earliest date practicable.

AASB S2:[D]B58

If an entity identifies a material error in its prior period(s) climate-related financial disclosures, it discloses:

- The nature of the prior period error
- The correction, to the extent practicable, for each prior period disclosed
- If correction of the error is impracticable, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

Nature of errors

AASB S2:[D]84

Prior period errors are omissions from and misstatements in the entity's climate-related financial disclosures for one or more prior periods. Such errors arise from a failure to use, or the misuse of, reliable information that:

- Was available when the climate-related financial disclosures for that period(s) were authorised for issue
- Could reasonably be expected to have been obtained and considered in the preparation of those disclosures.

AASB S2:[D]B56

Errors include the effects of mathematical mistakes, mistakes in applying the definitions for metrics or targets, oversights or misinterpretations of facts, and fraud.

Information excluded due to legal prohibitions

AASB S2:[D]B33

An entity need not disclose information otherwise required by an Australian Sustainability Reporting Standard if law or regulation prohibits the entity from disclosing that information.

AASB S2:[D]B33

If an entity omits material information where it is prohibited by a law or regulation from disclosing that information, it identifies the type of information not disclosed and explains the source of the restriction.

Additional disclosure where Australian Sustainability Reporting Standards are insufficient

AASB S2:[D]B26

An entity discloses additional information when compliance with the specifically applicable requirements in an Australian Sustainability Reporting Standard is insufficient to enable users of general purpose financial reports to understand the effects of climate-related risks and opportunities on the entity's cash flows, its access to finance and cost of capital over the short, medium and long term.

Assurance report

Source

Audit/review of information in the sustainability report



Guidance on the assurance report

On 16 September 2025, ASIC released [FAQs: Review or audit of sustainability reports](#), providing guidance to:

- Auditors in understanding their obligations in respect of the sustainability report under the Corporations Act
- Preparers of sustainability reports to understand their obligations in relation to obtaining a review or audit of the sustainability report, the appointment, removal and resignation of auditors and who can conduct a review or audit of the sustainability report.

In addition, the AUASB is progressively populating its [sustainability assurance implementation support pages](#), which include [frequently asked questions](#) and [illustrative assurance reports](#).

Entities should continue to monitor developments in this area as they prepare their sustainability reports.

Core requirements

The Corporations Act requires:

- Sustainability reports for financial years commencing on or after 1 July 2030 to be audited (s.301A)
- The Auditing and Assurance Standards Board (AUASB) to make auditing standards for financial years commencing 1 January 2025 to 30 June 2030 that specify the extent to which information in the sustainability report must be audited and/or reviewed (s.1707E(2)).

First year of reporting

For an entity's first year of reporting, the auditor conducts a review over the disclosures (including related general disclosures in Appendix D to AASB S2) relating to:

- Governance in accordance with AASB S2:6
- Strategy (risks and opportunities) in accordance with AASB S2:9(a), 10(a) and 10(b)
- Scope 1 and Scope 2 greenhouse gas emissions in accordance with AASB S2:29(a)(i)(1)-(2) and AASB S2:29(a)(ii)-(v)
- Any statement (by a "Group 3" entity) that there were no material risks or opportunities relating to climate and how that applies to the entity under s.296B(1)(c)-(d) or any similar statement otherwise made in the sustainability report.

For these purposes, "first year of reporting" is the first financial year commencing:

- For "Group 1" entities – from 1 January 2025 to 30 June 2026
- For "Group 2" entities – 1 July 2026 to 30 June 2027
- For "Group 3" entities – 1 July 2027 to 30 June 2028.

ASSA 5010:6
s.301A
s.1707E(2)

ASSA 5010:10(a)

ASSA 5010:9(f)

Source

ASSA 5010:Appendix
(Footnote)

Audit/review of information in the sustainability report (continued)
First year of reporting (continued)

Group 1 entities with years commencing 1 January to 30 June will be subject to the Year 1 provisions twice (e.g. years commencing 1 January 2025 and 1 January 2026). Reporting of Scope 3 emissions is required for years commencing 1 January 2026 to 30 June 2026 for these Group 1 entities, but they will not be subject to assurance.

See section B2.1.5 for more information about the phasing of assurance requirements.

Core model financial statements



This section contains the core IFRS disclosures that apply to all Tier 1 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.

Contents

About the model financial report	1
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	14
Consolidated statement of changes in equity	20
Consolidated statement of cash flows	22
Notes to the consolidated financial statements	27

About the model financial report

This model financial report 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?
Purpose	Who is required to prepare Tier 1 financial statements under Australian Accounting Standards	Entities preparing GPFS
Who should use this model financial report?	Who is required, or chooses, to prepare Tier 1 financial statements	Entities preparing Tier 1 GPFS
Other considerations	Other information about using the model annual report, including the list of pronouncements and limitations	
Effective date	Effective date of this model annual report, i.e. 31 December 2025	Entities using this model annual report
How to use the core model financial statements with Appendix 4	Outlines the composition of a Tier 1 financial report prepared under the Corporations Act linking relevant information from the core model financial statements and Appendix 4 – Australian-specific disclosures	

Purpose

The Deloitte global IFRS model financial statements contained in this section illustrate the presentation and disclosure requirements of IFRS® Accounting Standards for the year ended 31 December 2025 by an entity that is not a first-time adopter of IFRS Accounting Standards and are also applicable for the year ended 31 December 2025. 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 2025.

The core model financial statements, however, do not illustrate the presentation and disclosure requirements specific to financial reports prepared in Australia. Therefore, Appendix 4 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
- 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 (voluntary) Tax Transparency Code.

Appendix 4 also includes additional considerations for Tier 1 financial reports for the year ended 31 December 2025 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.

Who should use this model financial report?

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.

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

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

Other considerations

Amounts

The model financial statements are intended to illustrate the presentation and disclosure requirements of Australian Accounting Standards without the use of any numbers.

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. They also contain additional disclosures considered to be best practice, particularly where such disclosures are included in illustrative examples provided within a specific Standard. 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.

Limitations

We have developed the Deloitte model financial reports and the *Australian financial reporting guide* (available at 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:

- 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 4 – 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.

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 31 December 2025 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 18	<i>Presentation and Disclosure in Financial Statements</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>

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.

Understanding source references in the 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).

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 4 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 4 provides additional and modified illustrative disclosures applicable to Tier 1 financial statements prepared by Australian entities.

Effective date

This model annual report includes reporting obligations and illustrative disclosures that are effective for financial years ending on 31 December 2025.

Unless otherwise noted, the information in this guide has been updated for developments to 24 September 2025.

How to use the core model financial statements with Appendix 4

The table below outlines the composition of a Tier 1 financial report prepared under the Corporations Act. The table lists the relevant information from both the core model financial statements and those additional or alternative requirements included in Appendix 4.

Component	Primary source	Considerations
Corporations Act requirements		
Directors' report	Appendix 4 (page 199)	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 4 (page 232)	Entities preparing financial reports under the Corporations Act must include an auditor's independence declaration.
Independent auditor's report	Appendix 4 (page 235)	Entities preparing financial reports under the Corporations Act must include an independent auditor's report.
Directors' declaration	Appendix 4 (page 238)	Entities preparing financial reports under the Corporations Act must include a directors' declaration.
Primary financial statements		
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 4 on page 240. 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 267.
Notes to the consolidated financial statements (where there are Australian specific considerations)		
1 General information	Appendix 4 (page 243)	Additional information is required in relation to compliance with Australian Accounting Standards and rounding. See Note 1 on page 243.
2 Adoption of new and revised Standards	Appendix 4 (page 245)	The updated and Australian-specific version of this note should be used. See Note 2 on page 245.

Component	Primary source	Considerations
Notes to the consolidated financial statements (where there are Australian specific considerations) (continued)		
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 4 on page 253.
5 Revenue	Core model financial statements	Specific disclosure requirements apply for not-for-profit entities under AASB 1058 <i>Income of Not-for-Profit Entities</i> . See the example in Note 5 on page 257
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 258.
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 4 on page 260.
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 statement of cash flows	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 4 on page 267.
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 4 on page 268. 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 4 (page 269)	This Australian specific disclosure is required for entities applying Tier 1. An illustrative disclosure is included in Note 66 in Appendix 4 on page 269.

Component	Primary source	Considerations
Notes to the consolidated financial statements (where there are Australian specific considerations) (continued)		
67 Parent entity information	Appendix 4 (page 272)	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 4 on page 272.
Other		
Appendix 4E	Appendix 4 (page 195)	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 4 on page 195.
Consolidated entity disclosure statement	Appendix 4 (page 276)	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 4 on page 276.
ASX disclosures	Appendix 4 (page 280)	Entities listed on the ASX are required to provide additional information in their annual reports. See ASX disclosures in Appendix 4 on page 276.
ASX Corporate Governance Statement	Appendix 4 (page 288)	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 4 on page 288.
Tax transparency report	Appendix 4 (page 294)	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)-(e) IAS 1:10(b), (ea) IAS 1:10A IAS 1:113 IAS 8:22	Consolidated statement of profit or loss for the year ended 31 December 2025		
		Note	31/12/2025 31/12/2024 CU CU (Restated)*
	Continuing operations		
IAS 1:82(a) IFRS 15:113(a)	Revenue	5	
IAS 1:99-103	Cost of sales		
IAS 1:85 IAS 1:85A IAS 1:85B	Gross profit		
IAS 1:99-103	Distribution costs		
IAS 1:99-103	Administrative expenses		
IAS 1:99-103	Other expenses		
IAS 1:82(ba)	Impairment losses and gains (including reversals of impairment losses) on financial assets and contract assets	7	
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		
	Other gains and losses	10	
IAS 1:82(b) IFRS 16:49	Finance costs	11	
IAS 1:85 IAS 1:85A IAS 1:85B	Profit before tax		
IAS 1:82(d) IAS 12:77	Income tax	12	
IAS 1:85 IAS 1:85A IAS 1:85B	Profit for the year from continuing operations		

Source	International GAAP Holdings Limited		
	Discontinued operations		
IAS 1:82(ea) IFRS 5:33(a)	Loss for the year from discontinued operations	13	
IAS 1:81A(a)	Profit for the year	7	
IAS 1:81B(a)	Attributable to:		
	Owners of the parent entity		
	Non-controlling interests		
IAS 33:2-3 IAS 33:4A IAS 33:66 IAS 33:69	Earnings per share		
	From continuing operations:		
	Basic	15	
	Diluted	15	
	From continuing and discontinued operations:		
	Basic	15	
	Diluted	15	
* The comparative information has been restated as a result of <i>[the change in accounting policy/prior period error]</i> as discussed in note 2.			
Commentary:			
<i>The format outlined above aggregates expenses according to their function.</i>			

Source	International GAAP Holdings Limited		
IAS 1:10A IAS 1:10(b) IAS 1:10(ea)	Consolidated statement of comprehensive income for the year ended 31 December 2025		
IAS 1:113 IAS 8:22 IAS 1:10A		Note	31/12/2025 CU 31/12/2024 CU (Restated)*
	Profit for the year		
IAS 1:82A(a)(i)	Items that will not be reclassified subsequently to profit or loss:		
	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)	Items that may be reclassified subsequently to profit or loss:		
	<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) IAS 1:96, IFRS 9:6.5.11(d)(i)	<u>Cash flow hedges:</u>	46	
	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 foreign operations:</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 operations		
IFRS 7:24C(b)	Gain/(loss) arising on hedging instruments designated in hedges of the net assets in foreign operations		
	Less: (Gain)/loss on hedging instruments reclassified to profit or loss on disposal of foreign operations		

Source	International GAAP Holdings Limited	
IFRS 7:24E(b)-(c) IFRS 9:6.5.15(b)(iii) and (c) IFRS 9:6.5.16 IAS 1:96	<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	47
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)	Other comprehensive income for the year, net of income tax	
IAS 1:81A(c)	Total comprehensive income for the year	
IAS 1:81B(b)	Total comprehensive income attributable to:	
	Owners of the parent entity	
	Non-controlling interests	

* The comparative information has been restated as a result of [the change in accounting policy/prior period error] as discussed in note 2.

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 entity 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.

Source International GAAP Holdings Limited

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 or disclosed in the statement of profit or loss and other comprehensive income or 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 12).

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	Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025		
IAS 1:113 IAS 8:22		Note	31/12/2025 CU 31/12/2024 CU (Restated)*
	Continuing operations		
IAS 1:82(a) IFRS 15:113(a)	Revenue	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	7	
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	Profit before tax		
IAS 1:82(d) IAS 12:77	Income tax	12	
IAS 1:85 IAS 1:85A IAS 1:85B	Profit for the year from continuing operations		

Source	International GAAP Holdings Limited	
	Discontinued operations	
IAS 1:82(ea) IFRS 5:33(a)	Loss for the year from discontinued operations	13
IAS 1:81A(a)	Profit for the year	7
	Other comprehensive income for the year	
IAS 1:82A(a)(i)	Items that will not be reclassified subsequently to profit or loss:	
	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)	Items that may be reclassified subsequently to profit or loss:	
	<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)	<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 foreign operations:</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 operations	
IFRS 7:24C(b)	Gain/(loss) arising on hedging instruments designated in hedges of the net assets in foreign operations	
	Less: (Gain)/loss on hedging instruments reclassified to profit or loss on disposal of foreign operations	

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)	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)	Other comprehensive income for the year net of income tax		
IAS 1:81A(c)	Total comprehensive income for the year		
IAS 1:81B(a)	Profit for the year attributable to:		
	Owners of the parent entity		
	Non-controlling interests		
IAS 1:81B(b)	Total comprehensive income attributable to:		
	Owners of the parent entity		
	Non-controlling interests		
IAS 33:2-3	Earnings per share		
IAS 33:4A	From continuing operations:		
IAS 33:66	Basic	15	
IAS 33:69	Diluted	15	
	From continuing and discontinued operations:		
	Basic	15	
	Diluted	15	
	* The comparative information has been restated as a result of <i>[the change in accounting policy/prior period error]</i> as discussed in note 2.		
	Commentary:		
	<i>The format outlined above aggregates expenses according to their nature.</i>		

Source	International GAAP Holdings Limited			
IAS 1:10(a) IAS 1:10(ea) IAS 1:113 IAS 1:10(f) IAS 1:40A IAS 8:22	Consolidated statement of financial position—Alt. 1 as at 31 December 2025	Note	31/12/2025	31/12/2024 1/1/2024
			CU	CU (Restated)* (Restated)*
IAS 1:60-61 IAS 1:66-68	Non-current assets			
IAS 1:55	Goodwill	16		
IAS 1:54(c)	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 assets	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	Current assets			
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 cash equivalents			
IAS 1:54(j) IFRS 5:38-39	Assets classified as held for sale	13		
IAS 1:55-55A	Total assets			
IAS 1:60-61 IAS 1:69-76	Current liabilities			
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		
	Net current assets			

Source	International GAAP Holdings Limited		
IAS 1:60-61 IAS 1:69-76	Non-current liabilities		
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	Total liabilities		
	Net assets		
	Equity		
	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 entity		
IAS 1:54(q) IFRS 10:22	Non-controlling interests	51	
IAS 1:55-55A	Total equity		
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.			

Source	International GAAP Holdings Limited			
IAS 1:10(a) IAS 1:10(ea) IAS 1:113 IAS 1:10(f) IAS 1:40A IAS 8:22	Consolidated statement of financial position—Alt. 2 as at 31 December 2025			
	Note	31/12/2025	31/12/2024	1/1/2024
		CU	CU	CU
			(Restated)*	(Restated)*
	Assets			
IAS 1:60-61 IAS 1:66-68	Non-current assets			
IAS 1:55	Goodwill	16		
IAS 1:54(c)	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 assets	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	Total non-current assets			
IAS 1:60-61 IAS 1:66-68	Current assets			
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 cash equivalents		
IAS 1:54(j) IFRS 5:38-39	Assets classified as held for sale	13	
	Total current assets		
IAS 1:55-55A	Total assets		
	Equity and liabilities		
	Capital and reserves		
	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 entity		
IAS 1:54(q) IFRS 10:22	Non-controlling interests	51	
IAS 1:55-55A	Total equity		
IAS 1:60-61 IAS 1:69-76	Non-current liabilities		
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	
	Total non-current liabilities		

Source	International GAAP Holdings Limited		
IAS 1:60-61 IAS 1:69-76	<i>Current liabilities</i>		
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	Total current liabilities		
IAS 1:55-55A	Total liabilities		
IAS 1:55-55A	Total equity and liabilities		

Source	International GAAP Holdings Limited														
IAS 1:10(c) IAS 1:10(ea) IAS 1:106 IAS 1:108	Consolidated statement of changes in equity for the year ended 31 December 2025														
		Equity attributable to equity holders of the parent entity													
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	Share capital	Share premium account	Own shares	Properties revaluation reserve	Investments revaluation reserve	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	Attributable to owners of the parent entity	Non-controlling interest	Total equity
	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU
	Balance at 1 January 2024														
IAS 1:106(b) IAS 8:49(c)	Effect of change in accounting policy for [insert as relevant]														
	Balance at 1 January 2024—As restated														
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)	Total comprehensive income for the year														
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														
	Balance at 31 December 2024														

Source	International GAAP Holdings Limited															
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	Equity attributable to equity holders of the parent entity													Attributable to owners of the parent entity	Non-controlling interest	Total equity
	Share capital	Share premium account	Own shares	Properties revaluation reserve	Investments revaluation reserve	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				
	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU			
	Balance at 1 January 2025															
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)	Total comprehensive income for the year															
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															
	Balance at 31 December 2025															

Source	International GAAP Holdings Limited		
IAS 1:10(d) IAS 1:10(ea) IAS 7:1 IFRS 5:33(c)	Consolidated statement of cash flows—Alt. 1 for the year ended 31 December 2025		
IAS 1:113	Note	31/12/2025 CU	31/12/2024 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		
	Operating cash flows before movements in working capital		
	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		
	Cash generated by operations		
IAS 7:35-36	Income taxes paid		
	Net cash from operating activities		

Source	International GAAP Holdings Limited	
IAS 7:10 IAS 7:16 IAS 7:21-24 IFRS 9:IG.G.2	Investing activities	
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 designated 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 subsidiaries	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	
	Net cash (used in)/from investing activities	
IAS 7:10 IAS 7:17 IAS 7:21-24 IFRS 9:IG.G.2	Financing activities	
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	
	Repayments to a financial institution under supplier finance arrangements	
IAS 7:17(b)	Repurchase of treasury shares	
IAS 7:17(e) IFRS 16:50(a)	Repayment of lease liabilities	

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 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	
	Net cash (used in)/from financing activities	
	Net increase/(decrease) in cash and cash equivalents	
	Cash and cash equivalents at beginning of year	
IAS 7:28	Effect of foreign exchange rate changes	
	Cash and cash equivalents at end of year	54
Commentary:		
<i>The above illustrates the indirect method of reporting cash flows from operating activities.</i>		

Source	International GAAP Holdings Limited		
IAS 1:10(d) IAS 1:10(ea) IAS 7:1 IFRS 5:33(c)	Consolidated statement of cash flows—Alt. 2 for the year ended 31 December 2025		
		31/12/2025	31/12/2024
IAS 1:113		Note	CU
IAS 7:10 IAS 7:12-15 IAS 7:18-20	Cash from operating activities		
	Receipts from customers		
IFRS 16:50(c)	Payments to suppliers and employees		
	Cash generated from operations		
IAS 7:35-36	Income taxes paid		
	Net cash from operating activities		
IAS 7:10 IAS 7:16 IAS 7:21-24 IFRS 9:IG.G.2	Investing activities		
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 designated 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 subsidiaries	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		
	Net cash (used in)/from investing activities		

Source	International GAAP Holdings Limited	
IAS 7:10 IAS 7:17 IAS 7:21-24 IFRS 9:IG.G.2	Financing activities	
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	
	Repayments to a financial institution under supplier finance arrangements	
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 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	
	Net cash (used in)/from financing activities	
	Net increase/(decrease) in cash and cash equivalents	
	Cash and cash equivalents at beginning of year	
IAS 7:28	Effect of foreign exchange rate changes	
	Cash and cash equivalents at end of year	54
Commentary:		
<i>The above illustrates the direct method of reporting cash flows from operating activities.</i>		

Source	International GAAP Holdings Limited		
	Notes to the consolidated financial statements for the year ended 31 December 2025		
	1. General information		
IAS 24:13 IAS 1:138 (a)&(c)	International GAAP Holdings Limited (the parent entity) is a company limited by shares incorporated and registered in [A Land]. Its ultimate controlling party is [name]. The address of the parent entity's registered office is shown on page [X].		
IAS 1:138(b)	The principal activities of the parent entity and its subsidiaries (the group) and the nature of the group's operations are set out in note 6.		
IAS 1:51(d)-(e)	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.		
	2.Changes in accounting policies and prior period errors		
IAS 8:28	New and amended IFRS Accounting Standards that are effective for the current year		
	In the current year, the group has applied the following amendment to IFRS Accounting Standards issued by the IASB, which is mandatorily effective for an accounting period that begins on or after 1 January 2025. Its adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.		
	<table> <tr> <td>Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> titled <i>Lack of Exchangeability</i></td><td> The group has adopted the amendments to IAS 21 for the first time in the current year. The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. </td></tr> </table>	Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> titled <i>Lack of Exchangeability</i>	The group has adopted the amendments to IAS 21 for the first time in the current year. The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> titled <i>Lack of Exchangeability</i>	The group has adopted the amendments to IAS 21 for the first time in the current year. The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.		
IAS 8:30-31	New and revised IFRS Accounting Standards in issue but not yet effective		
	Commentary: <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 May 2025. The potential impact of the application of any new and revised IFRS Accounting Standard issued by the IASB after 31 May 2025 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>		
	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] have not yet been adopted by the [relevant body]]</i>:		
	<table> <tr> <td>Amendments to IFRS 9 and IFRS 7</td><td><i>Amendments to the Classification and Measurement of Financial Instruments</i></td></tr> </table>	Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>		
	<table> <tr> <td>Annual Improvements to IFRS Accounting Standards – Volume 11</td><td><i>Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows</i></td></tr> </table>	Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows</i>
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows</i>		
	<table> <tr> <td>Amendments to IFRS 9 and IFRS 7</td><td><i>Contracts Referencing Nature-dependent Electricity</i></td></tr> </table>	Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>		
	<table> <tr> <td>IFRS 18</td><td><i>Presentation and Disclosures in Financial Statements</i></td></tr> </table>	IFRS 18	<i>Presentation and Disclosures in Financial Statements</i>
IFRS 18	<i>Presentation and Disclosures in Financial Statements</i>		
	<table> <tr> <td>IFRS 19</td><td><i>Subsidiaries without Public Accountability: Disclosures</i></td></tr> </table>	IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</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.		

Source International GAAP Holdings Limited

Amendments to IFRS 9 and IFRS 7—Amendments to the Classification and Measurement of Financial Instruments

The amendments in *Amendments to the Classification and Measurement of Financial Instruments* (*Amendments to IFRS 9 and IFRS 7*) are:

Derecognition of a financial liability settled through electronic transfer

The amendments permit an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognised) before the settlement date if specified criteria are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.

Classification of financial assets

- *Contractual terms that are consistent with a basic lending arrangement.*

The amendments provide guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.

- *Assets with non-recourse features.*

The amendments enhance the description of the term 'non-recourse', in particular to specify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

- *Contractually linked instruments.*

The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritisation of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

Disclosures

- *Investments in equity instruments designated at FVTOCI.*

The requirements in IFRS 7 are amended to require an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.

- *Contractual terms that could change the timing or amount of contractual cash flows.*

The amendments require an entity to disclose the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or FVTOCI and each class of financial liability measured at amortised cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted. If an entity elects to apply these amendments for an earlier period, it is required to either:

- apply all the amendments at the same time and disclose that fact or
- apply only the amendments to the classification of financial assets for that earlier period and disclose that fact.

The amendments are required to be applied retrospectively, in accordance with IAS 8, with specific exceptions.

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

Source International GAAP Holdings Limited

Commentary:

Early application of the Amendments to IFRS 9 and IFRS 7—Amendments to the Classification and Measurement of Financial Instruments is illustrated in Appendix 2 [Note: This version of the illustrative financial statements does not include Appendices 2 and 3. A revised version including these appendices will be available shortly].

Annual Improvements to IFRS Accounting Standards—Volume 11

The IASB issued amendments to five IFRS Accounting Standards as part of its annual improvements process.

IFRS 1 First-time Adoption of International Financial Reporting Standards—Hedge accounting by a first-time adopter

For consistency with the requirements in IFRS 9, IFRS 1:B5-B6 were amended to refer to the 'qualifying criteria' for hedge accounting (instead of the 'conditions') and to add cross-references to IFRS 9:6.4.1 to improve the understandability of IFRS 1.

IFRS 7 Financial Instruments: Disclosures—Gain or loss on derecognition

The amendments remove an obsolete cross-reference in IFRS 7:B38 to a paragraph that had been deleted when IFRS 13 was issued and align the wording of this paragraph with the terms used in IFRS 13.

Guidance on implementing IFRS 7—Disclosure of deferred difference between fair value and transaction price

The amendments update IFRS 7:IG14 to make the wording of that paragraph consistent with IFRS 7:28 and improve the internal consistency of the wording in the example in IFRS 7:IG14.

Guidance on implementing IFRS 7—Introduction and credit risk disclosures

The amendments add a statement to IFRS 7:IG1 clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. The amendments also simplify the explanation of the aspects of the requirements that are not illustrated in IFRS 7:IG20B.

IFRS 9 Financial Instruments—Derecognition of lease liabilities

The amendments add a cross-reference to IFRS 9:3.3.3 in IFRS 9.2.1(b)(ii) to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9:3.3.3 and therefore recognise any resulting gain or loss in profit or loss.

IFRS 9 Financial Instruments—Transaction price

The amendments replace 'their transaction price (as defined in IFRS 15)' in IFRS 9.5.1.3 with 'the amount determined by applying IFRS 15' to address inconsistency between IFRS 9.5.1.3 and the requirements of IFRS 15 which may require a receivable to be measured at an amount that differs from the amount of the transaction price recognised as revenue. Additionally, the reference to 'transaction price' (as defined in IFRS 15) is deleted from Appendix A of IFRS 9.

IFRS 10 Consolidated Financial Statements—Determination of a 'de facto agent'

The amendments address concerns that the requirements in IFRS 10:B73-B74 might, in some situations, be contradictory. IFRS 10:B73 refers to 'de facto agents' as parties acting on the investor's behalf and states that the determination of whether other parties are acting as de facto agents requires judgement. However, the second sentence of IFRS 10:B74 includes more conclusive language and states that a party is a de facto agent when those that direct the activities of the investor have the ability to direct that party to act on the investor's behalf. The amendments update IFRS 10:B74 to use less conclusive language and to clarify that the relationship described in IFRS 10:B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent.

IAS 7 Statement of Cash Flows—Cost method

The amendment replaces the term 'cost method' with 'at cost' in IAS 7:37 in line with the removal of the definition of 'cost method' from the IFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. An entity is required to apply the amendments to IFRS 9:2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. No specific transition provisions are provided in respect of the other amendments.

Amendments to IFRS 9 and IFRS 7—Contracts Referencing Nature-dependent Electricity**Amendments to IFRS 9 Financial Instruments**

The following requirements of IFRS 9 are affected by the amendments:

- the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:

Source	International GAAP Holdings Limited
	– to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and – to measure the hedged item using the same volume assumptions as those used for the hedging instrument. Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 7 and IFRS 19 were amended to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics. The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The amendments to the own use exemption are required to be applied retrospectively in accordance with IAS 8 using the facts and circumstances at the date of initial application. The amendments to the hedge accounting requirements are to be applied prospectively to new hedging relationships designated on or after the date of initial application. The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods. Commentary: <i>Early application of the Amendments to IFRS 9 and IFRS 7—Contracts Referencing Nature-dependent Electricity is illustrated in Appendix 3. [Note: This version of the illustrative financial statements does not include Appendices 2 and 3. A revised version including these appendices will be available shortly].</i> IFRS 18 Presentation and Disclosures in Financial Statements IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some paragraphs from IAS 1 have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 <i>Earnings per Share</i>. IFRS 18 introduces new requirements to: • present specified categories and defined subtotals in the statement of profit or loss • provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements • improve aggregation and disaggregation. An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions. The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods. IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 permits an eligible subsidiary (defined as a subsidiary that does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards) to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. The directors of the entity do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group. Commentary: <i>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.</i> <i>This applies to all new or revised IFRS Accounting Standards that have been issued but are not yet effective.</i>

Source	International GAAP Holdings Limited		
IAS 8:14-15	Change in accounting policy		
IAS 8:28(a)-(e)	<i>[Describe the nature of the change in accounting policy, provide the title of the new or amended IFRS Accounting Standard (if applicable) and describe the transitional provisions (if applicable), including any transitional provisions that may have an effect on future periods].</i>		
IAS 8:28(f)	The following tables summarise the impact of the change in accounting policy on the financial statements of the group, including the impact on basic and diluted earnings per share.		
		31/12/2025	31/12/2024
		CU	CU
	Consolidated statement of profit or loss		
	<i>[Describe captions affected]</i>		
	Increase / (decrease) in profit for the year		
		31/12/2025	31/12/2024
		CU	CU
			1/1/2024
			CU
	Consolidated statement of financial position		
	<i>[Describe captions affected]</i>		
	Increase / (decrease) in net assets		
		31/12/2025	31/12/2024
		CU	CU
	Impact on profit for the year from continuing operations		
	Basic earnings per share		
	Diluted earnings per share		
	Impact on profit for the year from continuing and discontinued operations		
	Basic earnings per share		
	Diluted earnings per share		
IAS 8:28(g)	<i>[Describe the amount of the adjustment relating to periods before those presented (to the extent practicable).]</i>		

Source	International GAAP Holdings Limited
IAS 8:28(h)	<i>[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].</i>
IAS 8:41 IAS 8:45	Prior period errors <i>[Describe the nature of the prior period error]</i>
IAS 8:49(a)	
IAS 8:49(b) (i)-(ii)	The following tables summarise the impact of the prior period error on the financial statements of the group, including the impact on basic and diluted earnings per share.
	31/12/2024 CU
	Consolidated statement of profit or loss <i>[Describe captions affected]</i> Increase / (decrease) in profit for the year
	31/12/2024 1/1/2024 CU CU
	Consolidated statement of financial position <i>[Describe captions affected]</i> Increase / (decrease) in net assets
	31/12/2024 CU
	Impact on profit for the year from continuing operations Basic earnings per share Diluted earnings per share
	Impact on profit for the year from continuing and discontinued operations Basic earnings per share Diluted earnings per share
IAS 8:49(d)	<i>[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.]</i>

Source	International GAAP Holdings Limited
IAS 1:112(a)	3. Accounting policies Commentary: 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. 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: • has changed during the period resulting in a material change to the information in the financial statements • was chosen from alternatives permitted by IFRS Accounting Standards • was developed in accordance with IAS 8 in the absence of an IFRS Accounting Standard which specifically applies • relates to an area for which the entity is required to make significant judgements or assumptions which are disclosed in accordance with IAS 1:122 and 125 • relates to complex accounting for which users of the financial statements would otherwise not understand the relating transactions, other events or conditions. 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 that 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. IAS 1:117C notes that accounting policy information that 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 that duplicates or summarises the requirements of the relevant IFRS Accounting Standards. 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. Please note that the accounting policy information included in this document is provided for illustrative purposes, without an assessment of its materiality.
IAS 1:16 IAS 1:17(b) IAS 1:112(a) IAS 1:117-117E	Basis of accounting The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards). Commentary: The above statement should be tailored to be specific to the entity. 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, for example, in the European Union and the United Kingdom. The accounting policies adopted are set out below.

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 has adequate resources to continue in operational existence for the foreseeable future. Thus, the group has applied 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 entity and entities controlled by the group made up to 31 December each year. Control is achieved when the group: • has 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 group 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 group 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 group considers all relevant facts and circumstances in assessing whether or not the group's voting rights in an investee are sufficient to give it power, including: • the size of the group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders • potential voting rights held by the group, other vote holders or other parties • rights arising from other contractual arrangements • any additional facts and circumstances that indicate that the group 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 group obtains control over the subsidiary and ceases when the group 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 group gains control until the date when the group 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 entity and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the parent entity and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Source	International GAAP Holdings Limited
	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 entity. 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 <i>Financial Instruments</i> 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 <i>Income Taxes</i> and IAS 19 <i>Employee Benefits</i> 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 <i>Share-based Payment</i> at the acquisition date (see below) • assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> 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.

Source	International GAAP Holdings Limited

When a business combination is achieved in stages, the group's previously held interests in an acquired entity that is an associate or a joint venture, or a joint operation that constitutes a business, is 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 <i>Investments in Associates and Joint Ventures</i> (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 the group 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 the group transacts with a joint operation in which it 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 the group transacts with a joint operation in which it 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.

Source	International GAAP Holdings Limited
	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.
IFRS 15:31 IFRS 15:46-47 IFRS 15:119	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. <i>Sale of leisure goods</i>
IFRS 15:119(e) IFRS 15:B30	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).
IFRS 15:125 IFRS 15:108 IFRS 15:125	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.
IFRS 15:125	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.
IFRS 15:55 IFRS 15:119(d) IFRS 15:126(b) IFRS 15:126(d) IFRS 15:B21	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.

Source	International GAAP Holdings Limited
	<i>Sale of electronic equipment</i>
IFRS 15:55 IFRS 15:125 IFRS 15:119(d) IFRS 15:B21	The group sells electronic equipment to the wholesale market and directly to customers both through its own retail outlets and through internet sales.
	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.
IFRS 15:106 IFRS 15:117 IFRS 15:125	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.
	<i>'Maxi-Points' customer loyalty programme</i>
IFRS 15:B39 IFRS 15:B40	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.
IFRS 15:74 IFRS 15:106 IFRS 15:117 IFRS 15:B42	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.
	<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.
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. 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.

Source	International GAAP Holdings Limited
	<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.
	Leases
IFRS 16:51	<i>(a) The group as lessee</i>
IFRS 16:5-6 IFRS 16:9 IFRS 16:60	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.
IFRS 16:26	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.
	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.
IFRS 16:27	Lease payments included in the measurement of the lease liability comprise :
	• fixed lease payments (including in-substance fixed payments), less any lease incentives receivable • variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date • the amount expected to be payable by the lessee under residual value guarantees • the exercise price of purchase options, if the lessee is reasonably certain to exercise the options • payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.
IFRS 16:39	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.
	The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
IFRS 16:40(a)	• 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
IFRS 16:42	• 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)
IFRS 16:45(c)	• 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.

Source	International GAAP Holdings Limited
	The group did not make any such adjustments during the periods presented.
IFRS 16:24 IFRS 16:30	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. 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.
	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 16:61-62	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 finance 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.
	Foreign currencies
	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 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.

Source	International GAAP Holdings Limited
	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 entity 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. 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.

IAS 20:39(a)

Source	International GAAP Holdings Limited

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. <i>[If applicable include alternative explanation about rights to refunds: The Trust Deed provides the parent entity 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.]</i> 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 <i>[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]</i>.

Source	International GAAP Holdings Limited

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 group 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 or for transactions that give rise to equal taxable and deductible temporary differences) 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.

Source International GAAP Holdings Limited

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 measured 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.

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.

Source	International GAAP Holdings Limited
	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: <i>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.</i>
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. Commentary: <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>
IAS 38:118(a)	Intangible assets acquired separately 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. Internally-generated intangible assets – research and development expenditure Expenditure on research activities is recognised as an expense in the period in which it is incurred. 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: • the technical feasibility of completing the intangible asset so that it will be available for use or sale • the intention to complete the intangible asset and use or sell it • the ability to use or sell the intangible asset • how the intangible asset will generate probable future economic benefits • the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset • the ability to measure reliably the expenditure attributable to the intangible asset during its development. 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. IAS 38:118(b) 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.

Source	International GAAP Holdings Limited
IAS 38:118(b)	Intangible assets acquired in a business combination 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). 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.
	Derecognition of intangible assets 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. 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 <i>[list the estimated costs necessary to make the sale, for example, costs to be incurred in marketing, selling and distribution]</i>.
	Cash and cash equivalents In the statement of financial position, cash and cash equivalents are comprised of cash (i.e. cash on hand and on-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 than for investment or other purposes.

Source	International GAAP Holdings Limited
	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. 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.
IFRS 7:21	Financial instruments 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. 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 FVTPL) 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 FVTPL are recognised immediately in profit or loss.
IFRS 7:B5(c)	Financial assets 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. 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. 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 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 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>(i) Amortised cost and effective interest method</i> 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.

Source	International GAAP Holdings Limited
IFRS 7:B5(e)	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 flows (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. 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. Interest income is recognised in profit or loss and is included in the 'finance income—interest income' line item (note 9). <i>(ii) Debt instruments classified as at FVTOCI</i> 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. <i>(iii) Equity instruments designated as at FVTOCI</i> 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. 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. 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. The group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition (see note 24). A financial asset is held for trading if either: • it has been acquired principally for the purpose of selling it in the near term • 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 • it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Source	International GAAP Holdings Limited
IFRS 7:B5(e)	(iv) <i>Financial assets at FVTPL</i> 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: • 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) • 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. 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).
	Foreign exchange gains and losses 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: • 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) • 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 • 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) • for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve. 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. Impairment of financial assets 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. 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. 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. 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.

Source	International GAAP Holdings Limited
IFRS 7:35F(a)	<i>(i) Significant increase in credit risk</i>
IFRS 7:35G(b)	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.
IFRS 7:35F(a) IFRS 7:35G(a) (ii)	In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition: • an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating • 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 • 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 • an actual or expected significant deterioration in the operating results of the debtor • significant increases in credit risk on other financial instruments of the same debtor • 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. 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. 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: • the financial instrument has a low risk of default • the debtor has a strong capacity to meet its contractual cash flow obligations in the near term • 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.
IFRS 7:35F(a)(i)	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. 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. 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.
IFRS 7:35F(b)	<i>(ii) Definition of default</i> 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:

Source	International GAAP Holdings Limited
IFRS 7:35F(d) IFRS 7:35G(a) (iii)	• when there is a breach of financial covenants by the debtor • 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). 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. <i>(iii) Credit-impaired financial assets</i> 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: • significant financial difficulty of the issuer or the borrower • a breach of contract, such as a default or past due event (see (ii) above) • 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 • it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation • the disappearance of an active market for that financial asset because of financial difficulties.
IFRS 7:35F(e)	<i>(iv) Write-off policy</i> 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.
IFRS 7:35G(a)	<i>(v) Measurement and recognition of expected credit losses</i> 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. 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. 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. 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.

Source	International GAAP Holdings Limited

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.

The repurchase of equity instruments issued by the group 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 equity instruments issued by the group.

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 equity instruments issued by the group 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 recognised 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.

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.

Financial liabilities

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.

Source	International GAAP Holdings Limited
	<i>Financial liabilities at FVTPL</i> 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. A financial liability is classified as held for trading if either: • it has been acquired principally for the purpose of repurchasing it in the near term • 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 • it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument. 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: • such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise • 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 • 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.
IFRS 7:B5(e)	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. 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. 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. Fair value is determined in the manner described in note 62(a)(i). <i>Financial liabilities measured subsequently at amortised cost</i> 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. 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 flows (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. <i>Financial guarantee contract liabilities</i> 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.

Source	International GAAP Holdings Limited

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.

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.

Embedded derivatives

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.

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.

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.

Source	International GAAP Holdings Limited
IFRS 7:21	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. 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. Hedge accounting 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. 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: • there is an economic relationship between the hedged item and the hedging instrument • the effect of credit risk does not dominate the value changes that result from that economic relationship • 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. 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. 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. 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 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. <i>Fair value hedges</i> 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 gain or loss on the hedging instrument is recognised in profit or loss instead of other comprehensive income. When the hedged item is an equity instrument designated at FVTOCI, the gain or loss on the hedging instrument remains in other comprehensive income to match that of the hedging instrument. Where gains or losses on hedging instruments are recognised in profit or loss, they are recognised in the same line as those on 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.

Source	International GAAP Holdings Limited
	<i>Cash flow hedges</i> 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. <i>Hedges of net investments in foreign operations</i> 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. <i>Restructurings</i> 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. <i>Warranties</i> 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. <i>Onerous contracts</i> 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.

Source	International GAAP Holdings Limited

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 entity that are held in treasury or by the employee benefit trust. Own shares are measured at cost and deducted from equity.

Share-based payments*Share-based payment transactions of the parent entity*

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 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.

Source International GAAP Holdings Limited

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 __ 2025, 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 2026. 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 2024, while the development was delayed as management reconsidered its detailed plans. Capitalisation of borrowing costs recommenced in 2025—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 2025, borrowing costs have been capitalised from February 2025, at which time the technical and administrative work associated with the project recommenced.

Source	International GAAP Holdings Limited
	Business model assessment 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 FVTOCI 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.
	Significant increase in credit risk 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.
	Deferred taxation on investment properties 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.
IFRS 12:7(a)	Control over Subsidiary B Limited
IFRS 12:9(b)	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 [B Land]. The group has held its 45 per cent ownership since June 2019 and the remaining 55 per cent of the ownership interests are held by thousands of shareholders that are unrelated to the group. The directors of the parent entity 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. 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.
IFRS 12:7(b)	Significant influence over Associate B Limited
IFRS 12:9(e)	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.

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 entity 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 1:128-129

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.

IAS 1:131

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 2026 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 2026 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.

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 2025, the loss allowance on trade receivables would have been CU__ million (2024: CU__ million) higher (lower).

Source	International GAAP Holdings Limited
	If the ECL rates on trade receivables between 31 and 60 days past due had been __ per cent higher (lower) as of December 2025, the loss allowance on trade receivables would have been CU__ million (2024: CU__ million) higher (lower). <i>Discount rate used to determine the carrying amount of the group's defined benefit obligation</i> 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. <i>Fair value measurements and valuation processes</i> Some of the group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the parent entity has set up a valuation committee, which is headed up by the Chief Financial Officer of the parent entity, 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 entity every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities. The valuations of private equity investments and contingent consideration in business combinations 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). <i>Provision for restoration of contaminated land</i> On 15 December 2025, new legislation in [A Land] was enacted which resulted in the requirement for the group 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. <i>Assessment as to whether the right-of-use assets are impaired</i> In January 2019, [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] 2025 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 2025 (2024: 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.

Source	International GAAP Holdings Limited	
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 <i>Operating Segments</i> (see note 6).	
IFRS 15:114	Disaggregation of revenue	
IFRS 15:B87-B89		
		31/12/2025 31/12/2024 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	
		31/12/2025 31/12/2024 CU CU
	External revenue by timing of revenue	
	Goods transferred at a point in time	
	Goods transferred over time	
	Services transferred at a point in time	
	Services transferred over time	
	Commentary:	
	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. 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. 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.	
IFRS 15:120(a)	The transaction price allocated to <i>[unsatisfied and/or partially unsatisfied]</i> obligations is CU__ million (2024: CU __ million).	
IFRS 15:120(b)	Management expects that __ per cent of the transaction price allocated to the <i>[unsatisfied and/or partially unsatisfied]</i> contracts as of the year ended 2025 will be recognised as revenue during the next reporting period (CU__ million). The remaining __ per cent, CU__ million will be recognised in the 2027 financial year and CU__ million in the 2028 financial year.	

Source International GAAP Holdings Limited

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:

- [Segment A] – Electronic equipment—directsale 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] – Computersoftware—installation of computer software for specialised business applications
- [Segment G] – Construction—construction of residential properties

IFRS 8:22(aa)

The leisure goods segments supply sports shoes and equipment, as well as outdoor play equipment.

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:

- these operating segments have similar long-term gross profit margins
- the nature of the products and production processes are similar
- the methods used to distribute the products to the customers are the same
- *[other factors, please specify].*

Source	International GAAP Holdings Limited				
IFRS 5:5B	Two operations (<i>[describe operations]</i>) 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.				
	Other operations include <i>[identify other operations and their sources of revenue if any]</i>				
	Segment revenues and profits				
	The following is an analysis of the group's revenue and results by reportable segment in 2025:				
IFRS 8:23		Segment revenue 31/12/2025	Segment revenue 31/12/2024	Segment profit 31/12/2025	Segment profit 31/12/2024
		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)	Total				
	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)	Profit before tax				
	Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales in the current year (2024: nil).				
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> .				

Source International GAAP Holdings Limited

Commentary:

In June 2024, the IFRS Interpretations Committee published an agenda decision titled 'Disclosure of Revenues and Expenses for Reportable Segments', which considers the requirement in IFRS 8:23(f) to disclose, for each reportable segment, material items of income and expense disclosed in accordance with IAS 1:97.

The key points highlighted in the agenda decision include:

- *an entity is required to disclose the specified amounts for each reportable segment when they are:*
 - *included in the measure of segment profit or loss reviewed by the chief operating decision maker (CODM), even if they are not separately provided to or reviewed by the CODM, or*
 - *regularly provided to the CODM, even if they are not included in the measure of segment profit or loss*
- *the material items to be disclosed include, but are not limited to, the items listed in IAS 1:98 (e.g. write-downs of assets, restructuring expenses or gains/losses on disposal)*
- *an entity is not required to disclose, by reportable segment, each item of income and expense presented in its statement of profit or loss or disclosed in the notes*
- *in determining the information to disclose for each reportable segment, an entity applies judgement and considers:*
 - *the principles of materiality and aggregation in IAS 1, and*
 - *the core principle of IFRS 8, which requires an entity to disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.*

IFRS 8:27

Segment assets

	31/12/2025	31/12/2024
	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		
Total segment assets		
Non-current assets held for sale		
Unallocated assets		

IFRS 8:28(c)

Consolidated total assets

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.

Source	International GAAP Holdings Limited				
IFRS 8:23(e) IFRS 8:24(b)	Other segment information				
		Depreciation and amortisation		Additions to non-current assets*	
		31/12/2025	31/12/2024	31/12/2025	31/12/2024
		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				
	* The amounts exclude additions to financial instruments, deferred tax assets and net defined benefit assets.				
IFRS 8:23(i) IAS 36:129	In addition to the depreciation and amortisation reported above, impairment losses of CU__ (2024: CU__) and CU__ (2024: CU__) were recognised in respect of property, plant and equipment, and goodwill, respectively. These impairment losses were attributable to the following reportable segments:				
				31/12/2025	31/12/2024
				CU	CU
	[Segment A]—Electronic equipment—direct sale customers				
	[Segment E]—Leisure goods—retail outlets				
IFRS 8:32	Revenues from major products and services				
	The group's revenues from its major products and services are disclosed in note 5.				
	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)-(b)		Revenue from external customers			Non-current assets*
		31/12/2025	31/12/2024	31/12/2025	31/12/2024 1/1/2024
		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 (2024: 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 2025 or 2024.				

Source	International GAAP Holdings Limited	
IAS 1:104	7. Profit for the year	
	Profit for the year has been determined charging/(crediting):	
		31/12/2025 31/12/2024 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 intangible assets	
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 38:118(d)	Amortisation of intangible assets has been included in profit or loss in the <i>[other expenses/cost of sales]</i> line item	
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 2025, 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. Government grants towards training costs and purchase of property, plant and equipment are described in note 59.	
IAS 20:39(b)		
	In <i>[month]</i> 2025, the group disposed of <i>[name of subsidiary]</i> (see note 52). Certain of the non-core assets of the <i>[_____]</i> division were retained by the group. In addition, the <i>[_____]</i> operations of the <i>[_____]</i> 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 1:97-98	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__.	

Source International GAAP Holdings Limited			
8. Staff costs			
		31/12/2025	31/12/2024
		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	Total employee benefit expense		
9. Finance income			
		31/12/2025	31/12/2024
		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)		
	Other:		
IFRS 7:B5(e)	Dividends received from equity investments designated as at FVTOCI (see note 24):		
IFRS 7:11A(d)			
	Relating to investments derecognised during the year		
	Relating to investments held at the end of the reporting period		
	Total finance income		

Source	International GAAP Holdings Limited
	10. Other gains and losses
	31/12/2025 31/12/2024 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 7:24C(a)(ii) IFRS 9:6.5.8(a)	Loss/(gain) arising on derivatives designated as 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 (iv)
IFRS 7:24C(b)(vi), 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
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 (v)
	Net foreign exchange gain/(loss) (vi)
	(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__ (2024: CU__), including dividends of CU__ received during the year (2024: 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.
IAS 1:97	(iv) 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
	(v) During the year the entity extinguished some of its borrowing by issuing equity instruments and recognised a (gain)/loss in accordance with IFRIC 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i> .
	(vi) The foreign exchange (gain)/loss arose on the unhedged monetary items denominated in foreign currencies. The amount predominantly consists of retranslation of bank loans of CU__ (2024: CU__).

Source	International GAAP Holdings Limited	
	11. Finance costs	
		31/12/2025 CU 31/12/2024 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(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	
	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 (2024: __ per cent) to expenditure on such assets.	

Source	International GAAP Holdings Limited	
	12. Income tax	
		31/12/2025 CU 31/12/2024 CU
IAS 12:79-80	Corporation income tax:	
	Current tax expense/(income)	
	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 (2024: __ per cent).	
IAS 12:85	Commentary: <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 12:88A	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. On <i>[date]</i> 2023, the government of <i>[A Land]</i> , where the parent entity is incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the parent entity is 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 exist include <i>[C Land]</i> and <i>[D Land]</i> .	
IAS 12:88B	The group's current tax expense/(income) related to Pillar Two income taxes is CU__ (2024: CU__).	

Source	International GAAP Holdings Limited	
	Commentary: <i>Many countries have now enacted Pillar Two-related laws. For entities incorporated in jurisdictions where Pillar Two income taxes legislation is not yet effective, additional disclosure should be provided in line with IAS 12:88C-88D. Example wording of the additional disclosures is as follows:</i>	
IAS 12:88C-88D	<i>As at 31 December 2025, 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 [explain which adjustments were made]. Because not all of the adjustments that would have been 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 2025 may have been significantly different.</i> <i>The group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.</i>	
IAS 12:81(c)	The charge for the year can be reconciled to the profit before tax as follows:	
		31/12/2025 31/12/2024 CU CU
	Profit before tax on continuing operations	
	Tax at the [A Land] corporation tax rate of __ per cent (2024: __ 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	
	Tax expense for the year	
IAS 12:84	Commentary: <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>	

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:	
	31/12/2025	31/12/2024
	CU	CU
Current tax		
<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>		
Deferred tax		
Items that will not be reclassified subsequently to profit or loss:		
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		
Items that may be reclassified subsequently to profit or loss:		
<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)	Total income tax recognised in other comprehensive income	

Source	International GAAP Holdings Limited	
	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:	
		31/12/2025 31/12/2024 CU CU
	Current tax	
	Excess tax deductions related to share-based payments on exercised options	
	Deferred tax	
	Initial recognition of the equity component on issue of convertible loan notes	
	Change in estimated excess tax deductions related to share-based payments	
IAS 12:81(a)	Total income tax recognised directly in equity	
IFRS 5:30-32	13. Discontinued operations	
	On <i>[date]</i> 2025, the group entered into a sale agreement to dispose of <i>[name of subsidiary]</i> , which carried out all of the group's <i>[describe]</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> 2025, 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 Year ended <i>[date]</i> 2025 31/12/2024 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 entity)	
	Cash flows from discontinued operations	
		31/12/2025 31/12/2024 CU CU
	Net cash from operating activities	
	Net cash inflow/(outflow) from investing activities	
	Net cash inflow/(outflow) from financing activities	
IFRS 5:33(c)	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.	

Source	International GAAP Holdings Limited	
IFRS 5:41 IFRS 5:38	In addition, on [date] the board resolved to dispose of the group's [specify] 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:	
		31/12/2025
		CU
	Goodwill	
	Property, plant and equipment	
	Inventories	
	Trade and other receivables	
	Cash and cash equivalents	
	Total assets classified as held for sale	
	Trade and other payables	
	Tax liabilities	
	Bank overdrafts and loans	
	Total liabilities associated with assets classified as held for sale	
	Net assets of disposal group	
	14. Dividends	
		31/12/2025
		CU
	Amounts recognised as distributions to equity holders in the year:	
	Final dividend for the year ended 31 December 2024 of CU__ (2023: CU__) per share	
	Interim dividend for the year ended 31 December 2025 of CU__ (2024: CU__) per share	
IAS 1:107	Proposed final dividend for the year ended 31 December 2025 of CU__ (2024: 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 [insert date]. 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 [date], [name] who holds [number] ordinary shares representing __ per cent of the parent entity's called up share capital, has agreed to waive all dividends due to [him/her] for a period of [specify].	

Source	International GAAP Holdings Limited	
IAS 33:2-3	15. Earnings per share	
	Commentary:	
	<i>IAS 33 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>	
	• 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 • 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>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>	
	From continuing and discontinued operations	
	The calculation of the basic and diluted earnings per share is based on the following data:	
		31/12/2025 CU 31/12/2024 CU
IAS 33:70(a)	Earnings	
	Earnings for the purposes of basic earnings per share being net profit attributable to owners of the parent entity	
	Effect of dilutive potential ordinary shares:	
	Interest on convertible loan notes (net of tax)	
	Earnings for the purposes of diluted earnings per share	
		31/12/2025 31/12/2024
	Number of shares	
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 2025.	

Source	International GAAP Holdings Limited	
IAS 33:70(c)	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.	
		31/12/2025 31/12/2024
	Number of shares	
	[Describe]	
	From continuing operations	
		31/12/2025 CU 31/12/2024 CU
IAS 33:70(a)	Earnings	
	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 33:68-69	From discontinued operations	
		31/12/2025 CU 31/12/2024 CU
	Basic	
	Diluted	

Source	International GAAP Holdings Limited	
	16. Goodwill	CU
	Cost	
	At 1 January 2024	
	Exchange differences	
	Recognised on acquisition of subsidiaries	
	Derecognised on disposal of a subsidiary	
	Classified as held for sale	
	Other changes	
	At 31 December 2024	
	Exchange differences	
	Recognised on acquisition of subsidiaries	
	Derecognised on disposal of a subsidiary	
	Classified as held for sale	
	Other changes	
IFRS 3:B67(d)	At 31 December 2025	
	Accumulated impairment losses	
	At 1 January 2024	
	Exchange differences	
IAS 36:126	Impairment losses for the year	
	Eliminated on disposal of a subsidiary	
IFRS 3:B67(d)	At 31 December 2024	
	Exchange differences	
IAS 36:126	Impairment losses for the year	
	Eliminated on disposal of a subsidiary	
IFRS 3:B67(d)	At 31 December 2025	
IFRS 3:B67(d)	Carrying amount	
	At 31 December 2025	
	At 31 December 2024	
	At 1 January 2024	

Source	International GAAP Holdings Limited																									
IAS 36:134-135	The carrying amount of goodwill has been allocated to CGUs as follows:																									
		<table> <tr> <th></th><th>31/12/2025</th><th>31/12/2024</th></tr> <tr> <th></th><th>CU</th><th>CU</th></tr> <tr> <td>[Segment C]—Electronic equipment—internet sales</td><td></td><td></td></tr> <tr> <td>[Segment E]—Leisure goods—retail outlets</td><td></td><td></td></tr> <tr> <td>[Segment G]—Construction—Alpha Construction</td><td></td><td></td></tr> <tr> <td>[Segment G]—Construction—other</td><td></td><td></td></tr> <tr> <td></td><td></td><td></td></tr> <tr> <td></td><td></td><td></td></tr> </table>		31/12/2025	31/12/2024		CU	CU	[Segment C]—Electronic equipment—internet sales			[Segment E]—Leisure goods—retail outlets			[Segment G]—Construction—Alpha Construction			[Segment G]—Construction—other								
	31/12/2025	31/12/2024																								
	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 (2024: __ 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: <i>Forecast sales growth rates</i> 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]. <i>Operating profits</i> 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]. <i>Cash conversion</i> 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 (2024: __ 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 2019, which is still acknowledged as one of the top models in the market. The steady growth rate of __ per cent is estimated by the directors of the parent entity 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 (2024: __ 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: <i>Forecast sales growth rates</i> 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]. <i>Operating profits</i> 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].																									

Source	International GAAP Holdings Limited
	<i>Cash conversion</i> 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 (2024: __ per cent) per annum growth rate which is the projected long-term average growth rate for the international leisure goods market. Construction—Alpha Construction The goodwill associated with Alpha Construction arose when that business was acquired by the group in 2017. 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 2025. The impairment loss has been included in profit or loss in the <i>[other expenses/cost of sales]</i> line item. Construction—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 (2024: __ per cent per annum) calculated by <i>[describe method used to determine the discount rate]</i>. The key assumptions used by management in setting the financial budgets for the initial five-year period were as follows: <i>Forecast sales growth rates</i> Forecast sales growth rates are based on past experience adjusted for <i>[discuss reasons for adjusting the historic measures, for example, sales/market trends and the strategic decisions made in respect of the cash-generating unit]</i>. <i>Operating profits</i> Operating profits are forecast based on historical experience of operating margins, adjusted for the impact of <i>[describe reasons for adjusting the historical measures, for example, changes to product costs and cost saving initiatives]</i>. <i>Cash conversion</i> 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 (2024: __ 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]. Sensitivity analysis 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. 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___. 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___. 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.

Source	International GAAP Holdings Limited		
	17. Intangible assets		
		Capitalised development costs	Patents and trademarks
		CU	CU
			Total CU
IAS 38:118(c) IAS 38:118(e)	Cost		
	At 1 January 2024		
	Exchange differences		
	Additions from internal development		
	At 31 December 2024		
	Exchange differences		
	Additions from internal development		
	Additions from separate acquisitions		
	Acquired on acquisition of subsidiaries		
	At 31 December 2025		
IAS 38:118(c) IAS 38:118(e)	Amortisation		
	At 1 January 2024		
	Exchange differences		
	Charge for the year		
	At 31 December 2024		
	Exchange differences		
	Charge for the year		
	At 31 December 2025		
	Carrying amount		
	At 31 December 2025		
	At 31 December 2024		
	At 1 January 2024		
IAS 38:122(b)	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.		
	The group holds a patent for the manufacture of its Z Series Electronic Equipment. The carrying amount of the patent of CU__ million (2024: CU__ million) will be fully amortised in __ years (2024: __ years).		

Source	International GAAP Holdings Limited			
	18. Property, plant and equipment			
		Land and buildings	Plant and machinery	Fixtures and fittings
		CU	CU	CU
	Cost or valuation			
	At 1 January 2024			
	Additions			
	Acquisition of subsidiaries			
	Exchange differences			
	Disposals			
	Revaluation increase			
IAS 16:73(d)-(e)	At 31 December 2024			
	Additions			
	Acquisition of subsidiaries			
	Exchange differences			
	Reclassified as held for sale			
	Revaluation increase			
	Transferred to investment property			
IAS 16:73(d)-(e)	At 31 December 2025			
	Comprising:			
	At cost			
	At valuation 2025			

Source	International GAAP Holdings Limited				
		Land and buildings CU	Plant and machinery CU	Fixtures and fittings CU	Total CU
	Accumulated depreciation and impairment				
	At 1 January 2024				
	Charge for the year				
	Impairment loss				
	Exchange differences				
	Eliminated on disposals				
	Eliminated on revaluation				
IAS 16:73(d)-(e)	At 31 December 2024				
	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)	At 31 December 2025				
	Carrying amount:				
	At 31 December 2025				
	At 31 December 2024				
	At 1 January 2024				
IFRS 16:95	Commentary:				
	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.				
	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.				
	Fair value measurement of the group's freehold land and buildings				
	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 2025 and 31 December 2024 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 valuation techniques and the inputs used in determining the fair value].				
	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 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	Fair value as at
		CU	31/12/2025
		CU	CU
	A manufacturing plant in [A Land] contains:		
	Freehold land		
	Buildings		
		Level 2	Fair value as at
		CU	31/12/2024
		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.			
IFRS 13:95	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).		

Source	International GAAP Holdings Limited	
IAS 16:77(e)	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:	
		As at 31/12/2025As at 31/12/2024
		CUCU
	Freehold land	
	Buildings	
IAS 36:130(a)-(g) IAS 36:131 IAS 36:126(a)		
	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.	
	At 31 December 2025, the group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to CU__ million (2024: CU__ million).	
	Impairment losses recognised in the year	
	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 entity's own estimates]</i> .	
IAS 16:74(a)	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.	
	The discount rate used in measuring value in use was __ per cent per annum. No impairment assessment of the manufacturing plant was performed in 2024 as there was no indication of impairment.	
	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.	
	The impairment losses have been included in the profit and loss in the <i>[other expenses/cost of sales]</i> line item.	
	The impairment loss on fixtures and equipment arose in connection with the restructuring following the disposal of <i>[specify/provide cross-reference]</i> .	
IAS 16:74(a)	Assets pledged as security	
	Freehold land and buildings with a carrying amount of CU__ million (2024: 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.	

Source	International GAAP Holdings Limited		
IFRS 16:96	19. Investment property		
			CU
	Fair value		
	At 1 January 2024		
	Additions		
	Exchange differences		
	Disposals		
	Increase in fair value during the year		
IAS 40:76	At 31 December 2024		
	Additions		
	Exchange differences		
	Disposals		
	Increase in fair value during the year		
	Transferred from property, plant and equipment		
IAS 40:76	At 31 December 2025		
IAS 40:75(e)	The fair value of the group's investment property at 31 December 2025 has been arrived at on the basis of a valuation carried out at that date by [name of valuers], independent valuers not connected with the group. The valuation conforms to International Valuation Standards. The fair value was determined [based on the market comparable approach that reflects recent transaction prices for similar properties/other methods [describe]].		
IFRS 13:91(a) IFRS 13:93(d)	In estimating the fair value of the properties, the highest and best use of the properties is their current use. [Describe the valuation technique and inputs used in the fair value measurement].		
	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:		
	Level 2	Level 3	Fair value as at
	CU	CU	31/12/2025
			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]		
	Level 2	Level 3	Fair value as at
	CU	CU	31/12/2024
			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]		

Source	International GAAP Holdings Limited
IFRS 13:93(c)	Commentary: <i>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).</i> <i>The group should 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.</i> Commentary: Fair value hierarchy <i>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:</i> <i>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</i> <i>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.</i> Fair value disclosures for investment properties measured using the cost model <i>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:</i> <i>the level in which fair value measurement is categorised (i.e. Level 1, 2 or 3)</i> <i>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</i> <i>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.</i>

Source	International GAAP Holdings Limited			
IFRS 13:93(d) IFRS 13:93(h)(i)		Valuation technique(s)	Significant input(s)	Sensitivity
	Commercial property units located in [A Land] – [C City]	Income Capitalisation Approach	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of __ per cent - __ per cent (2024: __ per cent - __ per cent). 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__ (2024: CU__) per square metre ("sqm") per month.	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa. A significant increase in the market rent used would result in a significant increase in fair value, and vice versa.
Commentary: <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> <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>				
	The group has pledged all of its investment property to secure general banking facilities granted to the group.			
IAS 40:75(f)	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 (2024: CU__ million). Direct operating expenses arising on the investment property, all of which generated rental income in the year, amounted to CU__ million (2024: CU__ million).			
IAS 40:75(h)	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.			
20. Subsidiaries				
Commentary: <i>IFRS Accounting Standards do not 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.</i>				

Source	International GAAP Holdings Limited							
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			
					31/12/2025		31/12/2024	
	[Insert Activity X]		[A Land]					
	[Insert Activity Y]		[B Land]					
	Principal activity		Place of incorporation and operation		Number of non-wholly-owned subsidiaries			
					31/12/2025		31/12/2024	
	[Insert Activity X]		[A Land]					
	[Insert Activity Y]		[B Land]					
	IFRS 12:10(a)(ii) IFRS 12:12(a)-(f) IFRS 12:B11	The table below shows details of non-wholly owned subsidiaries of the group that have material non-controlling interests.						
Commentary:								
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.								
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	
			31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
			%	%	CU	CU	CU	CU
Subsidiary A Limited (i)		[A Land]						
Subsidiary B Limited (i)		[B Land]						
		Individually immaterial subsidiaries with non-controlling interests						
IFRS 12:9(b)	(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.							
	(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.							
	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.							
IFRS 12:13	There are no significant restrictions on the ability of the group to access or use assets and settle liabilities.							

Source	International GAAP Holdings Limited																				
IFRS 12:18	During the year, the group disposed of a __ per cent of its interest in <i>[name of subsidiary]</i> . 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 <i>[name of subsidiary]</i>) has been transferred to non-controlling interests (see note 51). The gain on disposal of <i>[name of subsidiary]</i> 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	Commentary: <i>When the group provides 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>																				
	21. Associates																				
IFRS 12:21(a)	Details of material associates																				
	Details of each of the group's material associates at the end of the reporting period are as follows:																				
	Commentary: <i>For illustrative purposes, the following associates are assumed to be material to the group.</i>																				
	<table><tr><th>Name of associate</th><th>Principal activity</th><th>Place of incorporation and principal place of business</th><th colspan="2">Proportion of ownership interest and voting rights held by the group</th></tr><tr><td></td><td></td><td></td><th>31/12/2025</th><th>31/12/2024</th></tr><tr><td>Associate A Limited (i) & (ii)</td><td><i>[insert Activity X]</i></td><td><i>[A Land]</i></td><td></td><td></td></tr><tr><td>Associate B Limited (iii)</td><td><i>[insert Activity Y]</i></td><td><i>[B Land]</i></td><td></td><td></td></tr></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					31/12/2025	31/12/2024	Associate A Limited (i) & (ii)	<i>[insert Activity X]</i>	<i>[A Land]</i>			Associate B Limited (iii)	<i>[insert Activity Y]</i>	<i>[B Land]</i>		
Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the group																		
			31/12/2025	31/12/2024																	
Associate A Limited (i) & (ii)	<i>[insert Activity X]</i>	<i>[A Land]</i>																			
Associate B Limited (iii)	<i>[insert Activity Y]</i>	<i>[B Land]</i>																			
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)	(i) Pursuant to a shareholder agreement, the parent entity has the right to cast __ per cent of the votes at shareholder meetings of Associate A Limited.																				
IFRS 12:22(b)	(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 <i>[A Land]</i> . For the purposes of applying the equity method of accounting, the financial statements of Associate A Limited for the year ended 31 October 2025 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2025. As at 31 December 2025, the fair value of the group's interest in Associate A Limited, which is listed on the stock exchange of <i>[A Land]</i> , was CU__ million (2024: CU__ million) based on the quoted market price available on the stock exchange of <i>[A Land]</i> , which is a Level 1 input in terms of IFRS 13.																				
IFRS 12:21(b) (iii)																					
IFRS 13:97																					
IFRS 12:9(e)	(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.																				

Source	International GAAP Holdings Limited				
	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.				
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 <i>[adjusted by the group for equity accounting purposes]</i> .				
		Associate A Limited		Associate B Limited	
		31/12/2025	31/12/2024	31/12/2025	31/12/2024
		CU	CU	CU	CU
	Current assets				
	Non-current assets				
	Current liabilities				
	Non-current liabilities				
	Equity attributable to owners of the parent entity				
	Non-controlling interest				
	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 entity				
	Total comprehensive income				
	Dividends received from the associate during the year				
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	
		31/12/2025	31/12/2024	31/12/2025	31/12/2024
		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>				
	Carrying amount of the group's interest in the associate				

Source	International GAAP Holdings Limited	
IFRS 12:21(c) (ii) IFRS 12:B16	Aggregate information of associates that are not individually material	
		31/12/2025 31/12/2024 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	
	Unrecognised share of losses of an associate	31/12/2025 31/12/2024 CU CU
IFRS 12:22(c)	The unrecognised share of loss of an associate for the year	
	Cumulative share of loss of an associate	
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 2025, the group disposed of a __ per cent interest in Associate C Limited to a third party for proceeds of CU__ million (received in January 2026). 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.	

Source	International GAAP Holdings Limited			
IFRS 12:22(a)	Significant restriction			
	Commentary:			
	<i>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.</i>			
	22. Joint ventures			
IFRS 12:21(a)	Details of material joint venture			
	Details of each of the group's material joint venture at the end of the reporting period is as follows:			
	Commentary:			
	<i>For illustrative purposes, the following joint venture is assumed to be material to the group.</i>			
	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
				31/12/202531/12/2024
	JV A Limited	[insert Activity X]	[A Land]	
IFRS 12:21(b)(i)	The above joint venture is 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)	Summarised financial information in respect of the group's material joint venture is set out below. The summarised financial information below represents amounts in the joint venture financial statements prepared in accordance with IFRS Accounting Standards [adjusted by the group for equity accounting purposes].			
IFRS 12:B12				
IFRS 12:B14(a)				
			JV A Limited	
			31/12/2025	31/12/2024
			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	JV A Limited	
		31/12/2025	31/12/2024
		CU	CU
	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 entity		
	Total comprehensive income		
	Dividends received from the joint ventures during the year		
IFRS 12:B12	The above profit (loss) for the year include the following:		
	Depreciation and amortisation		
	Interest income		
	Interest expense		
	Income tax expense (income)		
IFRS 12:B14(b)	Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:		
		JV A Limited	
		31/12/2025	31/12/2024
		CU	CU
	Net assets of joint venture		
	Proportion of the group's ownership interest in the joint venture		
	Goodwill		
	Other adjustments <i>[please specify]</i>		
	Carrying amount of the group's interest in the joint venture		

Source	International GAAP Holdings Limited	
IFRS 12:21(c) (ii) IFRS 12:B16	Aggregate information of joint ventures that are not individually material	
		31/12/2025 31/12/2024 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	
	Unrecognised share of losses of a joint venture	
		31/12/2025 31/12/2024 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)	Significant restriction	
	Commentary: <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)	23. Joint operations 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	
		31/12/2025	31/12/2024	31/12/2025	31/12/2024
		CU	CU	CU	CU
IFRS 7:8(h)	Investments in debt instruments classified as at FVTOCI (i)				
	Corporate bonds				
IFRS 7:8(h)	Investments in equity instruments designated as at FVTOCI (ii)				
IFRS 7:11A(a)-(c)	Shares				
IFRS 7:8(a)	Financial assets mandatorily measured at FVTPL (iii)				
	Green bonds				
	Shares				
IFRS 7:8(f)	Financial assets measured at amortised cost (iv)				
	Bills of exchange				
	Debentures				
	Redeemable notes				
	Loans to associates				
	Loan to joint venture				
	Loans to other entities				
	Loss allowance	()	()	()	()
	Total investments				
	(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. (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 entity do not consider that the group is able to exercise significant influence over Rocket Corp Limited as <i>[explain the reasons why there is no significant influence over the investee]</i>. The fair value of the investment was CU__ (2024: CU__). At 31 December 2025, 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__ (2024: CU__). The valuation methodology for these investments is disclosed in note 62(a)(i). The dividends received in respect of these investments are disclosed in note 9.				
IFRS 7:11A(a)-(c) IFRS 7:42(a)	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 entity 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.				

Source	International GAAP Holdings Limited
IFRS 7:11B	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. (iii) The group holds green bonds issued by <i>[name of entity]</i>. The group will receive nominal amount of CU__ million when the bonds mature on <i>[date]</i>. The bonds are interest bearing with an initial rate of __ per cent per annum. The interest rate is adjusted every reporting period by 50 basis points if <i>[name of entity]</i> achieves a reduction in carbon emissions by __ CO₂e during the preceding reporting period. Based on the group's assessment, there is no direct influence from the sustainability factors referenced in the contractual cash flows of the green bonds on the issuer's credit risk and hence the asset fails the SPPI criteria. As a result, the green bonds are measured at FVTPL. The group has also invested in a portfolio of listed shares which are held for trading. (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 (2024: __ per cent per annum). The counterparties have a minimum A credit rating. See below for impairment assessment. 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. 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. 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. 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. 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. The fair value of the investments carried at amortised cost is disclosed in note 62(a).
IFRS 7:35F(a)(i) IFRS 7:35G	Impairment of financial assets 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. In determining the expected credit losses for these assets, the directors of the parent entity 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.
IFRS 7:35F(a) 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.
IFRS 7:35M	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.

Source International GAAP Holdings Limited

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	CU
Balance as at 1 January 2024							
Changes related to financial assets recognised at the beginning of the year:							
– Transfer to lifetime ECL							
– Transfer to 12-month ECL							
– Financial assets derecognised in the year							
New financial assets recognized in the year							
Foreign exchange gains and losses							
Changes in estimation techniques							
Changes in credit risk parameters							
Balance as at 31 December 2024							
Changes related to financial assets recognised at the beginning of the year:							
– Transfer to lifetime ECL							
– Transfer to 12-month ECL							
– Financial assets derecognised in the year							
New financial assets recognised in the year							
Foreign exchange gains and losses							
Changes in estimation techniques							
Changes in credit risk parameters							
Balance as at 31 December 2025							

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	
	25. Inventories	
		31/12/2025 CU 31/12/2024 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 (2024: CU__ million).	
IAS 2:36(e)-(g)	The cost of inventories recognised as an expense includes CU__ million (2024: CU__ million) in respect of write-downs of inventory to net realisable value, and has been reduced by CU__ million (2024: 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 (2024: CU__ million) are expected to be recovered after more than 12 months.	
	Inventories with a carrying amount of CU__ million (2024: CU__ million) have been pledged as security for certain of the group's bank overdrafts.	
	26. Right to returned goods asset	
		31/12/2025 CU 31/12/2024 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)		

Source	International GAAP Holdings Limited		
IFRS 15:116(a)	27. Contract assets		
		31/12/2025	31/12/2024
		CU	CU
	Construction contracts		
	Installation of software services		
	Current		
	Non-Current		
IFRS 15:117	Amounts relating to contract assets are balances due from customers under construction contracts that arise when the group recognises revenue 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. 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.		
	Commentary: <i>The balances as at 1 January 2024 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> <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> <i>changes due to business combinations</i> <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> <i>impairment of a contract asset</i> <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> <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>		
IFRS 7:34(a)	The directors of the parent entity 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.		

Source	International GAAP Holdings Limited										
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 the amounts due from customers under construction contracts.										
IFRS 7:35M IFRS 7:35N IFRS 9:B5.5.35	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 is not further distinguished between the group's different customer base (see note 31).										
		<table> <tr> <th></th><th>31/12/2025</th><th>31/12/2024</th></tr> <tr> <td></td><td>CU</td><td>CU</td></tr> <tr> <td></td><td>__%</td><td>__%</td></tr> </table>		31/12/2025	31/12/2024		CU	CU		__%	__%
	31/12/2025	31/12/2024									
	CU	CU									
	__%	__%									
	Expected credit loss rate										
	Estimated total gross carrying amount at default										
	Lifetime ECL										
	Net carrying amount										
IFRS 7:35H IFRS 7:IG20B	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.										
		CU									
	Balance as at 1 January 2024										
	Net increase in loss allowance arising from new amounts recognised in current year, net of those derecognised upon billing										
	Balance as at 31 December 2024										
	Net increase in loss allowance arising from new amounts recognised in current year, net of those derecognised upon billing										
	Balance as at 31 December 2025										
IFRS 7:35B(b) IFRS 7:35I	There has not been any significant change in the gross amounts of contract assets that has affected the estimation of the loss allowance.										
	28. Contract costs										
		<table> <tr> <th></th><th>31/12/2025</th><th>31/12/2024</th></tr> <tr> <td></td><td>CU</td><td>CU</td></tr> </table>		31/12/2025	31/12/2024		CU	CU			
	31/12/2025	31/12/2024									
	CU	CU									
IFRS 15:128(a)	Costs to obtain contracts										
	Current										
	Non-Current										
	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.										
IFRS 15:127 IFRS 15:128(b)	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 2025, amortisation amounting to CU__ (2024: CU__) was recognised as part of cost of sales in the consolidated statement of profit or loss. There was no impairment loss (2024: impairment loss of CU__) in relation to the costs capitalised.										

Source	International GAAP Holdings Limited	
	29. Finance lease receivables	
		31/12/2025 31/12/2024 CU CU
IFRS 16:94	Amounts receivable under finance leases:	
	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	()
	Net investment in finance leases	
	Net investment in finance leases 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 lease 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 finance 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	The following table presents the amounts included in profit or loss:			
		31/12/2025	31/12/2024	
		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			
IFRS 7:7	The average effective interest rate contracted approximates __ per cent (2024: __ per cent) per annum.			
IFRS 7:34(a)	The directors of the parent entity 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 entity 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	30. Leases (group as a lessee) Right-of-use assets			
		Buildings	Plant	Equipment
		CU	CU	CU
	Cost			
	At 1 January 2024			
	Additions			
	At 31 December 2024			
	Additions			
	At 31 December 2025			
	Accumulated depreciation			
	At 1 January 2024			
IFRS 16:53(a)	Charge for the year			
	At 31 December 2024			
IFRS 16:53(a)	Charge for the year			
	At 31 December 2025			
	Carrying amount			
IFRS 16:53(j)	At 31 December 2025			
IFRS 16:53(j)	At 31 December 2024			

Source	International GAAP Holdings Limited		
	Commentary: <i>If a lessee does not present right-of-use assets separately in the statement of financial position, it should: [IFRS 16:47(a)]</i> • <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> • <i>disclose which line items in the statement of financial position include those right-of-use assets.</i>		
IFRS 16:59(a)	The group leases several assets including buildings, plant and IT equipment. The average lease term is __ years (2024: __ years) 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.		
IFRS 16:53(h)	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 2025 (2024: CU__ million). The maturity analysis of lease liabilities is presented in note 36.		
		31/12/2025	31/12/2024
		CU	CU
IFRS 16:54	Amounts recognised in profit and loss		
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		
IFRS 16:60	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> .		
IFRS 16:55	At 31 December 2025, the group is committed to CU__ million (2024: CU__ million) for short-term leases.		
IFRS 16:59(b) IFRS 16:B49	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:		
		31/12/2025	31/12/2024
		CU	CU
	Fixed payments		
	Variable payments		
	Total payments		
IFRS 16:59(b) (i) IFRS 16:B49	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.		

Source	International GAAP Holdings Limited																						
IFRS 16:53(g)	The total cash outflow for leases amount to CU__ million (2024: CU__ million)																						
	On [date] 2025, 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 2025. 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. There are no extension or termination options on the lease.																						
	Commentary: <i>In addition to the disclosures required in IFRS 16:53-58, a lessee should 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> <i>the nature of the lessee's leasing activities</i> <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> <i>variable lease payments</i> <i>extension options and termination options</i> <i>residual value guarantees</i> <i>leases not yet commenced to which the lessee is committed</i> <i>restrictions or covenants imposed by leases</i> <i>sale and leaseback transactions.</i>																						
	31. Trade and other receivables <table><tr><td></td><td>31/12/2025</td><td>31/12/2024</td></tr><tr><td></td><td>CU</td><td>CU</td></tr><tr><td>Trade receivables</td><td></td><td></td></tr><tr><td>Loss allowance</td><td>()</td><td>()</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></table>			31/12/2025	31/12/2024		CU	CU	Trade receivables			Loss allowance	()	()	Deferred consideration for the disposal of [name of subsidiary] (see note 52)			Other receivables			Prepayments		
	31/12/2025	31/12/2024																					
	CU	CU																					
Trade receivables																							
Loss allowance	()	()																					
Deferred consideration for the disposal of [name of subsidiary] (see note 52)																							
Other receivables																							
Prepayments																							

Source	International GAAP Holdings Limited																																																																																																
IFRS 15:116(a)	As at 1 January 2024, trade receivables from contracts with customers amounted to CU__ (net of loss allowance of CU__).																																																																																																
	Trade receivables The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables.																																																																																																
IFRS 7:35G	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.																																																																																																
IFRS 7:35G(c)	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.																																																																																																
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	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. <table><tr><th></th><th colspan="7">Trade receivables – days past due</th></tr><tr><th>31/12/2025</th><th>Not past due</th><th><30</th><th>31-60</th><th>61-90</th><th>91-120</th><th>>120</th><th>Total</th></tr><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></table> <table><tr><th></th><th colspan="7">Trade receivables – days past due</th></tr><tr><th>31/12/2024</th><th>Not past due</th><th><30</th><th>31-60</th><th>61-90</th><th>91-120</th><th>>120</th><th>Total</th></tr><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></table>		Trade receivables – days past due							31/12/2025	Not past due	<30	31-60	61-90	91-120	>120	Total		CU	CU	CU	CU	CU	CU	CU	Expected credit loss rate	__%	__%	__%	__%	__%	__%		Estimated total gross carrying amount at default								Lifetime ECL									Trade receivables – days past due							31/12/2024	Not past due	<30	31-60	61-90	91-120	>120	Total		CU	CU	CU	CU	CU	CU	CU	Expected credit loss rate	__%	__%	__%	__%	__%	__%		Estimated total gross carrying amount at default								Lifetime ECL							
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Estimated total gross carrying amount at default																																																																																																	
Lifetime ECL																																																																																																	
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 CU	Individually assessed CU	Total CU
Balance as at 1 January 2024				
Net remeasurement of loss allowance due to transfers				
Amounts written off				
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 estimation techniques				
Changes in credit risk parameters				
Balance as at 31 December 2024				
Net remeasurement of loss allowance due to transfers				
Amounts written off				
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 estimation techniques				
Changes in credit risk parameters				
Balance as at 31 December 2025				
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 (2024: CU__ million).			
IFRS 7:35B(b) IFRS 7:35I IFRS 7:IG20B	The following tables explain how significant changes in the gross carrying amount of the trade receivables contributed to changes in the loss allowance:			
				31/12/2025 Increase/(decrease) in lifetime ECL CU
Settlement in full by customers with a gross carrying amount of CU__ that were over 120 days past due				
Origination of new trade receivables net of those settled, as well as increase in days past due up to 90 days				
				31/12/2024 Increase/(decrease) in lifetime ECL CU
Customer with gross carrying amount of CU__ declared bankruptcy				
Origination of new trade receivables net of those settled, as well as decrease in days past due to 60 days				

Source	International GAAP Holdings Limited																																																																					
	Commentary: 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: • the portfolio composition • the volume of financial instruments purchased or originated • the severity of the expected credit losses.																																																																					
IFRS 7:8(g)	<table><tr><td>32. Borrowings</td><td></td><td></td></tr><tr><td></td><td>31/12/2025</td><td>31/12/2024</td></tr><tr><td></td><td>CU</td><td>CU</td></tr><tr><td>Unsecured borrowing at FVTPL</td><td></td><td></td></tr><tr><td>Redeemable cumulative preference shares</td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td>Unsecured borrowing at amortised cost</td><td></td><td></td></tr><tr><td>Bank overdrafts</td><td></td><td></td></tr><tr><td>Bank loans</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>Loans from government</td><td></td><td></td></tr><tr><td>Perpetual notes</td><td></td><td></td></tr><tr><td>Supplier finance arrangements (see note 54)</td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td>Secured borrowing at amortised cost</td><td></td><td></td></tr><tr><td>Bank overdrafts</td><td></td><td></td></tr><tr><td>Bank loans</td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td>Total borrowings</td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td>Non-current</td><td></td><td></td></tr><tr><td>Current</td><td></td><td></td></tr></table>	32. Borrowings				31/12/2025	31/12/2024		CU	CU	Unsecured borrowing at FVTPL			Redeemable cumulative preference shares						Unsecured borrowing at amortised cost			Bank overdrafts			Bank loans			Bills of exchange			Loans from related parties			Loans from government			Perpetual notes			Supplier finance arrangements (see note 54)						Secured borrowing at amortised cost			Bank overdrafts			Bank loans						Total borrowings						Non-current			Current		
32. Borrowings																																																																						
	31/12/2025	31/12/2024																																																																				
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Non-current																																																																						
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Source	International GAAP Holdings Limited			
	Analysis of borrowings by currency:			
	Currency Units	[Currency B]	[Currency C]	Total
	CU	CU	CU	CU
31 December 2025				
Bank overdrafts				
Bills of exchange				
Loans from related parties				
Redeemable cumulative preference shares				
Perpetual notes				
Loans from government				
Bank loans				
Supplier finance arrangements (see note 54)				
31 December 2024				
Bank overdrafts				
Bills of exchange				
Loans from related parties				
Redeemable cumulative preference shares				
Perpetual notes				
Loans from government				
Bank loans				
Supplier finance arrangements (see note 54)				
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 (2024: 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 (2024: CU__ million). The average effective interest rate on bank overdrafts is approximately __ per cent (2024: __ 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 (2024: 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 (2024: 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 2023, 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.				

IFRS 7:7

Source	International GAAP Holdings Limited			
IFRS 7:10(a)-(b)	(b)	An unsecured loan of CU__ million (2024: 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 (2024: __ 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 (2024: CU__ million).		
	(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 (2024: __ per cent) per annum.		
	(iv)	Amounts repayable to related parties of the group carry interest of __ per cent to __ per cent (2024: __ per cent to __ per cent) per annum charged on the outstanding loan balances		
	(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 date 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 that would arise if the liability was measured at amortised cost and 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 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__ (2024: 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__ (2024: CU__) . The valuation methodology and inputs used are disclosed in note 62(a)(i).		
	(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		
	(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).		
	The weighted average interest rates paid during the year were as follows:			
			31/12/2025	31/12/2024
			%	%
		Bank overdrafts		
	Bills of exchange			
	Loans from related parties			
	Redeemable cumulative preference shares			
	Perpetual notes			
	Bank loans			
IFRS 7:18	Breach of a loan agreement			
	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.			

Source	International GAAP Holdings Limited																						
	Covenants 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 2025 and 2024.																						
	Commentary: <i>If an entity has classified a liability as non-current but the right to defer settlement of that liability is subject to the entity complying with covenants within 12 months after the reporting period, it should disclose information which enables users of financial statements to understand the risk of the liabilities becoming repayable within 12 months after the reporting period, including: [IAS 1:76ZA]</i> • <i>information about the covenants (including the nature of the covenants and when the entity is required to comply with them) and the carrying amount of related liabilities</i> • <i>facts and circumstances, if any, which indicate that the entity may have difficulties complying with the covenants (e.g. if the entity would be in breach of the covenant if it had been assessed at the end of the reporting period).</i> 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. The group’s other borrowings are not subject to any covenants.																						
IFRS 7:7	33. Convertible loan notes 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 entity 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. 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.																						
IAS 32:28	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 entity, as follows: <table><tr><td></td><td>CU</td></tr><tr><td>Proceeds of issue of convertible loan notes</td><td></td></tr><tr><td>Transaction costs</td><td></td></tr><tr><td>Net proceeds from issue of convertible loan notes</td><td></td></tr><tr><td>Equity component</td><td></td></tr><tr><td>Transaction costs relating to equity component</td><td></td></tr><tr><td>Amount classified as equity</td><td></td></tr><tr><td>Liability component at date of issue (net of transaction costs)</td><td></td></tr><tr><td>Interest charged (using effective interest rate)</td><td></td></tr><tr><td>Interest paid</td><td>()</td></tr><tr><td>Carrying amount of liability component at 31 December 2024</td><td></td></tr></table> The equity component of CU__ million has been credited to the option premium on convertible notes reserve (see note 44). 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 2025 represents the effective interest rate less interest paid to that date.		CU	Proceeds of issue of convertible loan notes		Transaction costs		Net proceeds from issue of convertible loan notes		Equity component		Transaction costs relating to equity component		Amount classified as equity		Liability component at date of issue (net of transaction costs)		Interest charged (using effective interest rate)		Interest paid	()	Carrying amount of liability component at 31 December 2024	
	CU																						
Proceeds of issue of convertible loan notes																							
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Liability component at date of issue (net of transaction costs)																							
Interest charged (using effective interest rate)																							
Interest paid	()																						
Carrying amount of liability component at 31 December 2024																							

Source	International GAAP Holdings Limited	
	34. Derivative financial instruments	
		31/12/2025 31/12/2024 CU CU
	Derivative financial assets	
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	
	Derivative financial liabilities	
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-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.	
		31/12/2025 31/12/2024 CU CU
	Counterparty A:	
	Derivative assets	
	Derivative liabilities	
	Net amount of financial assets presented in the statement of financial position	
	Cash collateral (received)/paid	
	Net amount	
	Counterparty B:	
	Derivative assets	
	Derivative liabilities	
	Net amount	

Source	International GAAP Holdings Limited
	The derivative asset and liability with Counterparty A meet the offsetting criteria in IAS 32 <i>Financial Instruments: Presentation</i>. Consequently, the gross derivative liability is offset against the gross derivative asset, resulting in the presentation of a net derivative asset of CU__ million (2024: CU__) 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 (2024: CU__)). The cash collateral of CU__ million (2024: CU__) 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 (2024: CU__)) and gross amount of derivative liability (CU__ million (2024: CU__)) 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								
IAS 12:81(g)	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	Revaluation of financial assets	Convertible loan note – equity component	Retirement benefit obligations	Share-based payments	Tax losses	Total
	CU	CU	CU	CU	CU	CU	CU	CU	CU
	At 1 January 2024								
	Charge to profit or loss								
	Charge to other comprehensive income								
	Charge direct to equity								
	Exchange differences								
	At 1 January 2025								
	Charge/(credit) to profit or loss								
	Charge to other comprehensive income								
	Charge direct to equity								
	Acquisition of subsidiaries								
	Disposal of subsidiary								
	Exchange differences								
	Effect of change in tax rate:								
	profit or loss								
	other comprehensive income								
	direct to equity								
	At 31 December 2025								

Source	International GAAP Holdings Limited		
IAS 12:74	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:		
		31/12/2025	31/12/2024
		CU	CU
	Deferred tax liabilities		
	Deferred tax assets		
IAS 12:81(e)	At the reporting date, the group has unused tax losses of CU__ million (2024: CU__ million) available for offset against future profits. A deferred tax asset has been recognised in respect of CU__ million (2024: CU__ million) of such losses. No deferred tax asset has been recognised in respect of the remaining CU__ million (2024: 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 (2024: CU__ million) that will expire in [year]. Other losses may be carried forward indefinitely.		
IAS 12:81(f)	No deferred tax liability is recognised on temporary differences of CU__ million (2024: 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 .		
	36. Lease liabilities		
		31/12/2025	31/12/2024
		CU	CU
IFRS 16:58 IFRS 7:39(a) IFRS 16:BC221	Maturity analysis:		
	Year 1		
	Year 2		
	Year 3		
	Year 4		
	Year 5		
	Onwards		
	Less: finance charges allocated to future periods	()	()
	Analysed as:		
	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.		

Source	International GAAP Holdings Limited							
	Commentary:							
	<i>If a lessee does not present lease liabilities separately in the statement of financial position, it should disclose which line items in the statement of financial position include those liabilities.[IFRS 16:47(b)]</i>							
	37. Trade and other payables							
		<table> <tr> <th></th><th>31/12/2025</th><th>31/12/2024</th></tr> <tr> <th></th><th>CU</th><th>CU</th></tr> </table>		31/12/2025	31/12/2024		CU	CU
	31/12/2025	31/12/2024						
	CU	CU						
	Trade payables							
	Trade payables that are subject to supplier finance arrangements (see note 54)							
	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 supplier finance arrangements) and __ days (including supplier finance 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.							
IFRS 7:29(a)	The directors consider that the carrying amount of trade payables approximates to their fair value.							
	38. Other financial liabilities							
		<table> <tr> <th></th><th>31/12/2025</th><th>31/12/2024</th></tr> <tr> <th></th><th>CU</th><th>CU</th></tr> </table>		31/12/2025	31/12/2024		CU	CU
	31/12/2025	31/12/2024						
	CU	CU						
	Contingent consideration							
	Financial guarantee contract							
	The group's major supplier, Entity A, borrowed CU__ million from Bank Z on 30 June 2024. 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: • amount of loss allowance calculated in accordance with IFRS 9 • 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).							
IFRS 7:35G (a)-(b)	At the end of the reporting period, the directors of the parent entity 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 impairment charge has been recognised in profit or loss for the financial guarantee contract.							

Source	International GAAP Holdings Limited				
	39. Provisions				
				31/12/2025	31/12/2024
				CU	CU
	Warranty provision				
	Restructuring provision				
	Restoration provision				
	Other				
	Current				
	Non-current				
			</		

Source International GAAP Holdings Limited

Commentary:

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.

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.

Whichever presentation is selected, entities will need to ensure that the following requirements are met:

- detailed reconciliations are disclosed for each class of share capital (in the statement of changes in equity or in the notes)
- detailed reconciliations are disclosed 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)
- the amount of income tax relating to each item of other comprehensive income is presented or disclosed separately (in the statement of profit or loss and other comprehensive income or in the notes)
- reclassification adjustments are presented or disclosed separately from the related item of other comprehensive income (in the statement of profit or loss and other comprehensive income or in the notes).

40. Share capital

		31/12/2025	31/12/2024
		Number	Number
IAS 1:79(a)	Authorised:		
	__ million ordinary shares of CU__ each		
IAS 1:79(a)	Issued and fully paid:		
	At 1 January __ million ordinary shares of CU__ each		
	Issued during the year		
	Own shares acquired in the year		
	At 31 December __ million ordinary shares of CU__ each		
	[Give details of changes in share capital during the year]		
IAS 1:79(a)	The parent entity has one class of ordinary shares which carry no right to fixed income.		
	Additionally the parent entity 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) **41. Share premium account**

		2025	2024
		CU	CU
	Balance at 1 January		
	Premium arising on issue of equity shares		
	Share issue costs		
	Balance at 31 December		

Source	International GAAP Holdings Limited	
IAS 1:106(d)	42. Own shares	
		2025 2024
	Balance at 1 January	
	Acquired in the year	
	Disposed of on exercise of options	
	[Other movement]	
	Balance at 31 December	
IAS 1:79(b)	The own shares reserve represents the cost of shares in the parent entity purchased in the market and held by the parent entity's 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 2025 was __ (2024: __).	
	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 entity's constitution and entity 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 entity'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		Properties revaluation reserve
IAS 1:79(b)		
IAS 16:77(f)		CU
	Balance at 1 January 2024	
	Revaluation decrease on land and buildings	
	Reversal of deferred tax liability on revaluation of land and buildings	
	Balance at 1 January 2025	
	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 2025	
	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		
	The reconciliation of movements in the investment revaluation reserve for years 2025 and 2024 is presented below:		
IAS 1:90 IAS 1:106(d) IAS 1:106A IAS 1:79(b)	Investment in equity instruments designated as at FVTOCI CU	Investment in debt instruments classified as at FVTOCI CU	Investment revaluation reserve CU
	Balance as at 1 January 2024		
IFRS 7:20(a) (vii)	Fair value gain/(loss) arising during the period		
IFRS 7:20(a) (viii)	Income tax relating to fair value gain/(loss) arising during the period		
IFRS 7:20(a) (viii) IFRS 9:B5.7.1	Cumulative (gain)/loss on investments in equity instruments designated as at FVTOCI transferred to retained earnings upon disposal		
IFRS 7:20 (a)(viii)	Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal		
IAS 1:82(cb)	Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon reclassification from FVTOCI to FVTPL		
	Balance at 1 January 2025		
IFRS 7:20(a) (vii)	Fair value gain/(loss) arising during the period		
IFRS 7:20(a) (viii)	Income tax relating to fair value gain/(loss) arising during the period		
IFRS 7:20(a) (viii) IFRS 9:B5.7.1	Cumulative (gain)/loss on investments in equity instruments designated as at FVTOCI transferred to retained earnings upon disposal		
IFRS 7:20(a) (viii) IAS 1:106A	Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal		
IAS 1:82(cb) IAS 1:106A	Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon reclassification from FVTOCI to FVTPL		
	Balance as at 31 December 2025		
IFRS 7:35H	The following table shows the movement in 12-month ECL that has been recognised for corporate bonds classified as at FVTOCI:		
		2025 CU	2024 CU
	Balance as at 1 January		
	Net movement for the year		
	Balance as at 31 December		
	Investments in equity instruments designated as at FVTOCI are not subject to impairment.		

Source	International GAAP Holdings Limited		
IAS 1:106(d)	44. Option premium on convertible notes reserve		
		2025	2024
		CU	CU
	Balance at 1 January		
	Recognition of equity component of convertible loan notes (see note 33)		
	Deferred tax liability arising on recognition of equity component of convertible loan notes		
	Balance at 31 December		
IAS 1:79(b)	This reserve represents the equity component of convertible debt instruments (see note 33).		
IAS 1:106(d) IAS 1:106A	45. Financial liabilities at FVTPL credit risk reserve		
		2025	2024
		CU	CU
	Balance at 1 January		
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		
	Balance at 31 December		

Source	International GAAP Holdings Limited								
	46. Cash flow hedge reserve								
		Foreign exchange risk		Interest rate risk		Commodity risk		Total	
		2025	2024	2025	2024	2025	2024	2025	2024
		CU	CU	CU	CU	CU	CU	CU	CU
	Balance at 1 January								
IFRS 7:24C(b)(i) IFRS 7:24E(a)	Gain/(loss) arising on changes in fair value of hedging instruments during the period								
	Income tax related to gain/(loss) recognised in other comprehensive income during the period								
IFRS 7:24C(b)(iv) IFRS 7:24E(a)	(Gain)/loss reclassified to profit or loss – hedged item has affected profit or loss								
IFRS 7:24C(b)(iv) IFRS 7:24E(a)	(Gain)/loss reclassified to profit or loss – forecast transaction no longer expected to occur								
	Income tax related to amounts reclassified to profit or loss								
IFRS 7:24E(a)	Cumulative (gain)/loss transferred to initial carrying amount of hedged items								
	Income tax related to amounts transferred to initial carrying amount of hedged item								
	Balance at 31 December								
	Of which:								
IFRS 7:24B(b)(ii)	Balance related to continuing cash flow hedges								
IFRS 7:24B(b)(iii)	Balance related to discontinued cash flow hedges								
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).								
IAS 1:106(d) IAS 1:79(b) IAS 1:82A	47. Cost of hedging reserve								
	The cost of hedging reserve includes the effects of the following:								
	• changes in fair value of the time value of option when only the intrinsic value of the option is designated as the hedging instrument • 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) • 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).								
	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.								

Source	International GAAP Holdings Limited							
IFRS 7:24F	The changes in fair value of the <i>[time value of an option/forward element of a forward contract/foreign currency basis spread of a financial instrument]</i> and their related reclassification adjustments and amortisation per risk category is presented below:							
	Foreign exchange risk		Interest rate risk		Commodity risk		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	CU	CU	CU	CU	CU	CU	CU	CU
	Balance at 1 January							
	Changes in fair value of the <i>[time value of an option/forward element/foreign currency basis spread]</i> in relation to transaction-related hedged items during the period							
	Changes in fair value of the <i>[time value of an option/forward element/foreign currency basis spread]</i> in relation to time-period related hedged items during the period							
	Income tax related to changes in fair value of <i>[the time value of an option/forward element/foreign currency basis spread]</i>							
	(Gain)/loss arising on changes in fair value of <i>[the time value of an option/forward element/foreign currency basis spread]</i> 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 <i>[the time value of an option/forward element/foreign currency basis spread]</i> 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 <i>[the time value of an option/forward element/foreign currency basis spread]</i> 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 <i>[the time value of an option/forward element/foreign currency basis spread]</i> in relation to time-period related hedged items							
	(Gain)/loss arising on changes in fair value of <i>[the time value of an option/forward element/foreign currency basis spread]</i> 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							
	Balance at 31 December							

Source	International GAAP Holdings Limited	
IAS 1:106(d) IAS 1:106A	48. Foreign exchange translation reserve	
		2025 CU 2024 CU
	Balance at 1 January	
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	
	Balance at 31 December	
	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 operations	
IAS 1:106(d)	49. Share-based payments reserve	
	Balance at 1 January 2024	CU
	Credit to equity for equity-settled share-based payments	
	Deferred tax on share-based payments	
	Balance at 1 January 2025	
	Credit to equity for equity-settled share-based payments	
	Deferred tax on share-based payments	
	Balance at 31 December 2025	

Source	International GAAP Holdings Limited		
IAS 1:106(d)	50. Retained earnings		
	Balance at 1 January 2024—As restated		
	Dividends paid		CU
	Net profit for the year		
	Other comprehensive income arising from measurement of defined benefit obligation net of income tax		
	Adjustment arising from change in non-controlling interest (see note 51)		
	Balance at 1 January 2025		
	Dividends paid		
	Net profit for the year		
	Other comprehensive income arising from measurement of defined benefit obligation net of income tax		
	Adjustment arising from change in non-controlling interest (see note 51)		
	Balance at 31 December 2025		
	51. Non-controlling interests		
	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.		
		31/12/2025	31/12/2024
	CU	CU	
IFRS 12:12(g) IFRS 12:B10-B11	Subsidiary A Limited		
	Current assets		
	Non-current assets		
	Current liabilities		
	Non-current liabilities		
	Equity attributable to owners of the parent entity		
	Non-controlling interests		
	Revenue		
	Expenses		
	Profit (loss) for the year		
	Profit (loss) attributable to owners of the parent entity		
	Profit (loss) attributable to the non-controlling interests		
	Profit (loss) for the year		
	Other comprehensive income attributable to owners of the parent entity		
	Other comprehensive income attributable to the non-controlling interests		
Other comprehensive income for the year			

Source	International GAAP Holdings Limited	31/12/2025	31/12/2024
		CU	CU
	Total comprehensive income attributable to owners of the parent entity		
	Total comprehensive income attributable to the non-controlling interests		
	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		
	Net cash inflow (outflow)		
	<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.		
IAS 1:106(b) IAS 1:106(d) IAS 1:106A	Balance at 1 January 2024		CU
	Share of profit for the year		
	Payment of dividends		
	Balance at 1 January 2025		
	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)		
	Balance at 31 December 2025		
	(i) As at 31 December 2025, 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 2027 and __ will expire on 17 September 2027. 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.		

Source	International GAAP Holdings Limited	
	52. Disposal of subsidiary	
IFRS 5:41	As referred to in note 13, on <i>[date]</i> the group disposed of its interest in <i>[name of subsidiary]</i> .	
IAS 7:40(d)	The net assets of <i>[name of subsidiary]</i> at the date of disposal were as follows:	
		<u><i>[date]</i></u>
		CU
	Property, plant and equipment	
	Inventories	
	Trade receivables	
	Cash and cash equivalents	
	Retirement benefit obligation	
	Deferred tax liability	
	Current tax liability	
	Trade payables	
	Bank overdraft	
	Attributable goodwill	
	Net assets disposed of	<u> </u>
	Gain on disposal	
IAS 7:40(a)	Total consideration	<u> </u>
		<u> </u>
	Satisfied by:	
	Cash and cash equivalents	
	Deferred consideration	
IAS 7:40(a)	Total consideration transferred	<u> </u>
		<u> </u>
	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	
		<u> </u>
		<u> </u>
	There were no disposals of subsidiaries made in 2024.	
	The deferred consideration will be settled in cash by the purchaser on or before <i>[date]</i> .	
	The impact of <i>[name of subsidiary]</i> 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		
	53. Acquisition of subsidiaries		
	[Acquisition A Limited]		
IFRS 3:B64(a)-(d)	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 Business Combinations. [Acquisition A Limited] was acquired [provide primary reasons for acquisition of the entity].		
	Commentary: <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>		
IFRS 3:B64(i) IAS 7:40(d)	The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.		CU
	Financial assets		
	Cash and cash equivalents		
	Inventory		
	Property, plant and equipment		
	Identifiable intangible assets		
	Financial liabilities		
	Deferred tax assets/(liabilities)		
	Contingent liability		
	Total identifiable assets acquired and liabilities assumed		
	Goodwill		
	Total consideration		
	Satisfied by:		
	Cash		
	Equity instruments (___ ordinary shares of the parent entity)		
	Contingent consideration arrangement		
IFRS 3:B64(f) IAS 7:40(a)	Total consideration transferred		
	Net cash outflow arising on acquisition:		
IAS 7:40(b)	Cash consideration		
IAS 7:40(c)	Less: cash and cash equivalent balances acquired		
IFRS 3:B64(h)	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.		
IFRS 3:B64(j)	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 2026 and that all will be incurred by the end of 2027. 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.		

Source	International GAAP Holdings Limited																												
IFRS 3:B64(e) & (k)	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. Commentary: <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>																												
	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>.																												
IFRS 3:B64(g)	The contingent consideration arrangement requires <i>[describe conditions of the contingent consideration arrangement]</i>. The potential undiscounted amount of all future payments that the parent entity could be required to make under the contingent consideration arrangement is between CU__ million and CU__ million.																												
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.																												
	<i>[Acquisition B Limited]</i>																												
IFRS 3:B64 (a)-(d)	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>.																												
IFRS 3:B64(i) IAS 7:40(d)	The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.																												
	<table> <tr> <td>Financial assets</td><td></td></tr> <tr> <td>Cash and cash equivalents</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></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></td></tr> <tr> <td>Total consideration</td><td></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 entity)</td><td></td></tr> </table>	Financial assets		Cash and cash equivalents		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>		Total consideration		Satisfied by:		Cash		Equity instruments (__ ordinary shares of the parent entity)	
Financial assets																													
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Equity instruments (__ ordinary shares of the parent entity)																													
IFRS 3:B64(f) IAS 7:40(a)	Total consideration transferred																												
	Net cash outflow arising on acquisition:																												
IAS 7:40(b)	Cash consideration																												
IAS 7:40(c)	Less: cash and cash equivalent balances acquired																												

Source	International GAAP Holdings Limited
IFRS 3:B67(a)	The initial accounting for the acquisition of [Acquisition B Limited] has only been provisionally determined at the end of the reporting period. For tax purposes, the tax values of [Acquisition B Limited]'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 [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 are CU__ million.
IFRS 3:B64(e), (k)	The goodwill of CU__ million arising from the acquisition consists of [describe factors that make up goodwill recognised]. None of the goodwill is expected to be deductible for income tax purposes. The fair value of the __ ordinary shares issued as part of the consideration paid for [Acquisition B Limited] (CU__ million) was determined on the basis of [describe method for determining fair value].
IFRS 3:B64(o)	The non-controlling interest (20 per cent ownership interest in [Acquisition B Limited]) 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: • assumed discount rate of __ per cent • assumed long-term sustainable growth rates of __ per cent to __ per cent • 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 [Acquisition B Limited]. All outstanding share options granted by [Acquisition B Limited] 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 [Acquisition B Limited]. Methods and significant assumptions used in determining the market-based measure at the acquisition date are set out in note 57.
IFRS 3:B64(m)	Acquisition-related costs (included in administrative expenses) amount to CU__ million.
IFRS 3:B64(q)	[Name of entity acquired] 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 [name of entity acquired] 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.
	Commentary:
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	
	54. Notes to the statement of cash flows	
IAS 7:45	Cash and cash equivalents	
		31/12/2025 31/12/2024 CUCU
	Cash and cash equivalents in the statement of financial position	
	Bank overdrafts (see note 32)	
	Cash and cash equivalents included in disposal group held for sale (see note 13)	
	Cash and cash equivalents in the statement of cash flows	
	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.	
IAS 7:48-49	Cash and bank balances includes demand deposits of CU__ million (2024: 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 2026.	
IAS 7:43	Non-cash transactions	
	Additions to buildings and equipment during the year amounting to CU__ million were financed by new leases. Additions of CU__ million in 2025 (2024: CU__ million) were acquired on deferred payment terms, the settlement of which are still outstanding at year end.	
IAS 7:44A-44E	Changes in liabilities arising from financing activities	
	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 statement of cash flows as cash flows from financing activities.	

Source	International GAAP Holdings Limited							
	1 January 2025	Financing cash flows (i)	Acquisition and disposal of subsidiary (note 52 and 53)	Effect of changes in foreign exchange rates	Fair value adjustments (notes 10, 11 and 62)	New leases	Other changes (ii)	31 December 2025
	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)								
Supplier finance arrangements (presented as part of 'Borrowings', see note 32)								
Total liabilities from financing activities								
(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 statement of cash flows								
(ii) Other changes include interest expense, the non-cash increase in borrowings in exchange for the finance provider taking on trade payable liability, and movements in the equity component of convertible loan notes								
(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							
	1 January 2024	Financing cash flows (i)	Acquisition and disposal of subsidiary (note 52 and 53)	Effect of changes in foreign exchange rates	Fair value adjustments (notes 10, 11 and 62)	New leases	Other changes (ii)	31 December 2024
	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)								
Supplier finance arrangements (presented as part of 'Borrowings', see note 32)								
Total liabilities from financing activities								
(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 statement of cash flows								
(ii) Other changes include interest expense, the non-cash increase in borrowings in exchange for the finance provider taking on trade payable liability and movements in the equity component of convertible loan notes								
(iii) The contingent consideration arises on the acquisition of [<i>Acquisition A Limited</i>] (see note 53). The payment of contingent consideration will be presented as a financing cash flow of the group								

Source	International GAAP Holdings Limited			
IAS 7:44F	Supplier finance arrangements			
	The group operates the following types of supplier finance arrangements:			
IAS 7:44H(a)	in order to ensure easy access to credit for its suppliers and facilitate early settlement, the group has entered into supplier finance arrangements that permit the suppliers to obtain payment from the banks for the amounts billed up to __ days before the invoice due date subject to a discount of up to __ per cent. The arrangements permit the banks to early settle invoices of up to CU__ per month. The discount represents less than the trade discount for early repayment commonly used in the market. The group repays the banks 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 the banks by paying them later than the group would have paid its suppliers, the group considers amounts payable to the banks should be presented as part of trade and other payables. As at 31 December 2025, __ per cent of trade payables were amounts owed under these arrangements			
IAS 7:44H(a)	another type of the arrangement, for which the related amounts are presented as part of borrowings, has the following terms and conditions: <i>[describe the terms and conditions of the arrangements and the basis of the classification as part of borrowings]</i>.			
		31/12/2025	31/12/2024	1/1/2024
		CU	CU	CU
IAS 7:44H(b)(i)-(ii)	Carrying amount of the financial liabilities that are subject to supplier finance arrangements			
IAS 7:44H(b)(i)	Presented as part of "Trade and other payables", including:			
IAS 7:63(a)				
IAS 7:44H(b)(ii)	Trade payables for which suppliers have already received payment from the			
IAS 7:63(a)-(b)	finance provider			N/A
IAS 7:44H(b)(i)	Presented as part of "Borrowings", including:			
IAS 7:63(a)				
IAS 7:44H(b)(ii)	Borrowings for which suppliers have already received payment from the			
IAS 7:63(a)-(b)	finance provider			N/A
IAS 7:44H(b)(iii)	Range of payment due dates	Days	Days	Days
IAS 7:63(a)-(b)				
	For liabilities presented as part of "Trade and other payables":			
	Liabilities that are part of supplier finance arrangements			N/A
	Comparable trade payables that are not part of supplier finance arrangements			N/A
	For liabilities presented as part of "Borrowings":			
	Liabilities that are part of supplier finance arrangements			N/A
	Comparable trade payables that are not part of supplier finance arrangements			N/A
IAS 7:44H(c)	Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. There were no material non-cash changes in these liabilities.			
IFRS 7:39(c)	The group does not face a significant liquidity risk as a result of its supplier finance arrangements given the limited amount of			
IFRS 7:B11F(j)	liabilities subject to supplier finance arrangements and the group's access to other sources of finance on similar terms.			
IFRS 7:BC58E				
	Commentary:			
	The amendments to IAS 7 and IFRS 7 titled 'Supplier Finance Arrangements', issued in May 2023, added paragraphs 44F-44H to IAS 7 which require new disclosures in respect of supplier finance arrangements. The amendments contain specific transition relief from presenting comparative information such that in applying the amendment, an entity is not required to disclose: - comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments - the information otherwise required by IAS 7:44H(b)(ii)-(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments. The group first applied the amendments in the reporting period to 31 December 2024. The comparative information that is not required to be presented by the group in the current year is marked as "N/A" in the table.			

Source	International GAAP Holdings Limited		
	55. Contingent liabilities		
IAS 37:86(a)-(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 <i>[date]</i>. 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.		
		31/12/2025 CU	31/12/2024 CU
IFRS 12:23(b)	Contingent liabilities incurred by the group relating to interest in associates <i>[disclose details]</i> The group’s share of associates’ contingent liabilities incurred jointly with other investors		
	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.		
	56. Operating lease arrangements		
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:		
		31/12/2025 CU	31/12/2024 CU
	Year 1		
	Year 2		
	Year 3		
	Year 4		
	Year 5		
	Year 6 and onwards		
	Total		
IFRS 16:91	The following table presents the amounts reported in profit or loss:		
		31/12/2025 CU	31/12/2024 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																																													
	57. Share-based payments																																													
IFRS 2:44	Equity-settled share option plan																																													
IFRS 2:45(a)	The parent entity 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 entity 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 entity’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: <table><tr><th></th><th colspan="2">31/12/2025</th><th colspan="2">31/12/2024</th></tr><tr><th></th><th>Number of share options</th><th>Weighted average exercise price (in CU)</th><th>Number of share options</th><th>Weighted average exercise price (in CU)</th></tr><tr><td>Outstanding at beginning of year</td><td></td><td></td><td></td><td></td></tr><tr><td>Granted during the year</td><td></td><td></td><td></td><td></td></tr><tr><td>Forfeited during the year</td><td></td><td></td><td></td><td></td></tr><tr><td>Exercised during the year</td><td></td><td></td><td></td><td></td></tr><tr><td>Expired during the year</td><td></td><td></td><td></td><td></td></tr><tr><td>Outstanding at the end of the year</td><td></td><td></td><td></td><td></td></tr><tr><td>Exercisable at the end of the year</td><td></td><td></td><td></td><td></td></tr></table>		31/12/2025		31/12/2024			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					Outstanding at the end of the year					Exercisable at the end of the year				
	31/12/2025		31/12/2024																																											
	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																																														
Outstanding at the end of the year																																														
Exercisable at the end of the year																																														
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 2025 had a weighted average exercise price of __, and a weighted average remaining contractual life of __ years. In 2025, options were granted on [dates]. The aggregate of the estimated fair values of the options granted on those dates is CU__ million. In 2024, 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			
			31/12/2025	31/12/2024
	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 2025, 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 2025 and 2024 respectively.			
IFRS 2:51(b)	Cash-settled share-based payments 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 recognised liabilities of CU__ and CU__ in 2025 and 2024. 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 recognised total expenses of CU__ and CU__ in 2025 and 2024, respectively. The total intrinsic value of the SARs at 31 December 2025 and 2024 was CU__ and CU__, respectively.			
IFRS 2:45(a)	Employee share option plan of a subsidiary acquired in the current year [Acquisition B Limited] 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 [Acquisition B Limited]. Each employee share option of [Acquisition B Limited] converts into one ordinary share of [Acquisition B 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. All outstanding share options granted by [Acquisition B Limited] had been vested by the date when the group acquired [Acquisition B Limited]. The following share-based payment arrangements were in existence during the current year:			
	Options series	Number	Expiry date	Exercise price
				Market-based measure at the acquisition date of [Acquisition B Limited]
				CU
				CU
	(1) Granted on 13 March 2024			
	(2) Granted on 18 September 2024			

Source	International GAAP Holdings Limited																								
IFRS 2:46 IFRS 2:47(a)	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. <table><tr><td></td><td colspan="2">Option series</td></tr><tr><td></td><td>Series 1</td><td>Series 2</td></tr><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></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)	No share options were granted or exercised after the group obtained control over [Acquisition B Limited]. The share options outstanding at 31 December 2025 had an exercise price of CU__ and a weighted average remaining contractual life of __ days. Other share-based payment plans 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 2025, at weighted average share prices of __. The discount of CU__ million will be expensed over the vesting period of __ years. 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 (2024: CU__ million) represents contributions payable to these plans by the group at rates specified in the rules of the plans. As at 31 December 2025, contributions of CU__ million (2024: 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 entity. 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.																								

Source	International GAAP Holdings Limited							
IAS 19:139(b)	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. The plans in [D Land] typically expose the parent entity 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.						
	No other post-retirement benefits are provided to these employees.							
	The most recent actuarial valuations of the plan assets and the present value of the defined benefit liability were carried out at 31 December 2025 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.							
IAS 19:144	The principal assumptions used for the purposes of the actuarial valuations were as follows:							
		<table> <tr> <th></th><th colspan="2">Valuation at</th></tr> <tr> <th></th><th>31/12/2025</th><th>31/12/2024</th></tr> </table>		Valuation at			31/12/2025	31/12/2024
	Valuation at							
	31/12/2025	31/12/2024						
	Key assumptions used:							
	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].							

Source	International GAAP Holdings Limited	
IAS 19:135 IAS 19:120	Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:	
		31/12/2025 31/12/2024 CU CU
	Service cost:	
	Current service cost	
	Past service cost and (gain)/loss from settlements	
	Net interest expense	
	Components of defined benefit costs recognised in profit or loss	
	Of the expense (service cost) for the year, CU__ million (2024: CU__ million) has been included in profit or loss as cost of sales and CU__ million (2024: 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.	
	Amounts recognised in other comprehensive income are as follows:	
		31/12/2025 31/12/2024 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	
	Remeasurement of the net defined benefit liability (asset)	
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:	
		31/12/2025 31/12/2024 CU CU
	Present value of defined benefit obligations	
	Fair value of plan assets	
	Funded status	
	Restrictions on asset recognised	
	Others [<i>describe</i>]	
	Net liability arising from defined benefit obligation	

Source	International GAAP Holdings Limited	
IAS 19:141	Movements in the present value of defined benefit obligations in the year were as follows:	
		31/12/2025 31/12/2024 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>]	
	Closing defined benefit obligation	
IAS 19:141	Movements in the fair value of plan assets in the year were as follows:	
		31/12/2025 31/12/2024 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>]	
	Closing fair value of plan assets	

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:

	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	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 [describe]						

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 the parent entity with a fair value of CU__ million (2024: CU__ million) and property occupied by a subsidiary of the parent entity with a fair value of CU__ million (2024: CU__ million).

Source	International GAAP Holdings Limited
IAS 19:145 (a)-(b)	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. If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease (increase) by CU__ million (2024: CU__ million). If the expected salary growth increases (decreases) by 1 per cent, the defined benefit obligation would increase (decrease) by CU__ million (2024: CU__ million). If the life expectancy increases (decreases) by one year for both men and women, the defined benefit obligation would increase (decrease) by CU__ million (2024: CU__ million). 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.
IAS 19:145(c)	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. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.
IAS 19:146	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. The main strategic choices that are formulated in the actuarial and technical policy document of the fund are: • asset mix based on __ per cent equity instruments, __ per cent debt instruments and __ per cent investment property • 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 • maintaining an equity buffer that gives a __ per cent assurance that assets are sufficient within the next 12 months. There has been no change in the processes used by the group to manage its risks from prior periods.
IAS 19:147	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. The average duration of the benefit obligation at the end of the reporting period is __ years (2024: __ years). This number can be subdivided into the duration related to: • active members: __ years (2024: __ years) • deferred members: __ years (2024: __ years) • retired members: __ years (2024: __ years). The group expects to make a contribution of CU__ million (2024: 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.

Source	International GAAP Holdings Limited		
IAS 20:39(b)	59. Deferred income—government grant		
		<u>31/12/2025</u>	<u>31/12/2024</u>
		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 2026 (CU__) and 2027 (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.		
	60. Contract liabilities		
		<u>31/12/2025</u>	<u>31/12/2024</u>
		CU	CU
	Arising from customer loyalty programme		
IFRS 15:116(a)	Amounts received in advance of delivery for internet sales		
	Maintenance services		
	Amounts related to construction contracts		
	Current		
	Non-current		
	Commentary:		
	<i>The balances as at 1 January 2024 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>		
IFRS 15:116(b) IFRS 15:116(c)	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.		
		<u>31/12/2025</u>	<u>31/12/2024</u>
		CU	CU
	Arising from customer loyalty programme		
	Amounts received in advance of delivery for internet sales		
	Maintenance services		
	Amounts related to construction contracts		

Source	International GAAP Holdings Limited	
	61. Refund liability	
		31/12/2025 CU 31/12/2024 CU
	Refund liability	
IFRS 15:119(d) IFRS 15:126(a)	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.	
	62. Financial Instruments	
	Commentary:	
	<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>	
	(a) Classes and categories of financial instruments and their fair values	
IFRS 9:4.1.1 IFRS 9:4.2.1 IFRS 7:6-8 IFRS 7:25 IFRS 7:29(a) IFRS 13:97 IFRS 13:93(c)	The following table combines information about: • classes of financial instruments based on their nature and characteristics • the carrying amounts of financial instruments • fair values of financial instruments (except financial instruments when carrying amount approximates their fair value) • fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed. Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable: • Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities • 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) • 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).	

Source	International GAAP Holdings Limited												
	31 December 2025												
	Carrying value									Fair value			
	Financial assets					Financial liabilities				Level			
	FVTPL – derivatives designated in hedge relationships	FVTPL – mandatorily measured	FVTOCI	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	CU	CU	CU
Cash and cash equivalents (note 54)													
Investments (note 24)													
Finance lease receivables ¹ (note 29)										N/A	N/A	N/A	
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 ² (note 36)										N/A	N/A	N/A	N/A
Contingent consideration in business combination (note 38)													
	31 December 2024												
	Carrying value									Fair value			
	Financial assets					Financial assets				Level			
	FVTPL – derivatives designated in hedge relationships	FVTPL – mandatorily measured	FVTOCI	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	CU	CU	CU
Cash and cash equivalents (note 54)													
Investments (note 24)													
Finance lease receivables ¹ (note 29)										N/A	N/A	N/A	
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 ² (note 36)										N/A	N/A	N/A	N/A
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]												

Source	International GAAP Holdings Limited			
IFRS 13:91	(a)(i) Fair value of the group's financial assets and financial liabilities that are measured at fair value on a recurring basis			
	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)	Financial assets/ financial liabilities	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship and sensitivity of unobservable inputs to fair value
	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 (2024: __ 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 (2024: 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 (2024: __ 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 (2024: increase/decrease by CU__ million).
			Weighted average cost of capital, determined using a Capital Asset Pricing Model, ranging from __ to __ per cent (2024: __ 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 (2024: 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 (2024: __ 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 (2024: decrease/increase by CU__ million).
	5) Listed corporate bond and investment in green bonds (note 24)	Quoted bid prices in an active market.	N/A	N/A

Source	International GAAP Holdings Limited			
	6) Redeemable cumulative preference shares (note 32)	Discounted cash flow at a discount rate of __ per cent (2024: __ per cent) that reflects the group's current borrowing rate at the end of the reporting period.	N/A	N/A
	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.	Discount rate of __ per cent determined using a Capital Asset Pricing Model.	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 (2024: decrease/increase by CU__ million).
		Probability-adjusted revenues and profits, with a range from CU__ to CU__ and a range from CU__ to CU__ respectively.		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 (2024: increase/decrease by CU__ million).
IFRS 13:93(c)	There were no transfers between Level 1 and 2 during the current or prior year.			
	Commentary: <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>			
IFRS 13:93(e)	(a)(ii) Reconciliation of Level 3 fair value measurements of financial instruments 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 the acquisition of <i>[Acquisition A Limited]</i> during the year (see note 53). No gain or loss for the year relating to this contingent consideration has been recognised in profit or loss.			
				Equity investments— unlisted shares
				CU
	Balance at 1 January 2024			
	Total gains or losses:			
	in profit or loss			
	in other comprehensive income			
	Purchases			
	Issues			
	Settlements			
	Transfers out of Level 3			
	Transfers into Level 3			
	Balance at 1 January 2025			
	Total gains or losses:			
	in profit or loss			
	in other comprehensive income			
	Purchases			
	Issues			
	Settlements			
	Transfers out of Level 3			
	Transfers into Level 3			
	Balance at 31 December 2025			

Source	International GAAP Holdings Limited							
IFRS 13:93(e)(ii)	All gains and losses for 2025 included in other comprehensive income relate to unquoted equities held at the reporting date and are reported as changes of 'Investment revaluation reserve' (see note 43).							
	Commentary: <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>							
IFRS 13:97	(a)(iii) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)							
IFRS 13:97	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.							
IFRS 13:93(d)								
	(a)(iv) Financial liabilities designated as at FVTPL (with changes attributable to the change in credit risk being recognised in other comprehensive income)							
		<table> <tr> <th></th><th>31/12/2025</th><th>31/12/2024</th></tr> <tr> <th></th><th>CU</th><th>CU</th></tr> </table>		31/12/2025	31/12/2024		CU	CU
	31/12/2025	31/12/2024						
	CU	CU						
IFRS 7:10(a)	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:							
IFRS 7:10(d)	– Relating to financial liabilities derecognised during the year							
IFRS 7:10(b)	Difference between carrying amount and contractual amount at maturity:							
	– Cumulative preference shares at fair value (note 32)							
	– Amount payable at maturity							
	(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
	Commentary: <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 should disclose:</i> • <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> • <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> • <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>
IFRS 7:31	(b) Financial risk management objectives 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. 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. 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.
IFRS 7:33	(c) Market risk 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: • forward foreign exchange contracts to hedge the exchange rate risk arising on the export of goods to [B Land] and [C Land] • interest rate swaps to mitigate the risk of rising interest rates • commodity option to mitigate the price risk of purchased inventory • 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 Market risk exposures are measured using value-at-risk (VaR) analysis supplemented by sensitivity analysis.
IFRS 7:33(c)	There has been no change to the group's exposure to market risks or the manner in which these risks are managed and measured.
IFRS 7:41	Value-at-risk (VaR) analysis 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.

Source	International GAAP Holdings Limited							
	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.							
	Historical VaR (95%, one-day) by risk type							
	Average		Minimum		Maximum		Year end	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	CU	CU	CU	CU	CU	CU	CU	CU
Foreign exchange								
Interest rate								
Diversification								
Total VaR exposure								
	The group's VaR should be interpreted in light of the limitations of the methodologies used. These limitations include the following:							
	- 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 - 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 - VaR using a 95 per cent confidence level does not reflect the extent of potential losses beyond that percentile							
	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.							
	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.							
IFRS 7:33-34	(c)(i) Foreign currency risk management							
	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.							
	The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities denominated in the principal currencies at the reporting date are as follows:							
	Currency B		Currency C					
	31/12/2025	31/12/2024	31/12/2025	31/12/2024				
	CU	CU	CU	CU				
Assets								
Liabilities								
Net exposure before impact of forward foreign exchange contracts								
Forward foreign exchange contracts								
Net exposure after impact of forward foreign exchange contracts								

Source	International GAAP Holdings Limited																									
	Foreign currency sensitivity analysis																									
	The group is mainly exposed to the currency of [B Land] ([Currency B]) and the currency of [C Land] ([Currency C]).																									
IFRS 7:34(a) IFRS 7:40(b)	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.																									
	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.																									
IFRS 7:40(c)	[Where the assumptions used have changed from previous years, include detail of and reasons for those changes]																									
	<table><tr><th></th><th colspan="2">[Currency B] impact</th><th colspan="2">[Currency C] impact</th></tr><tr><th></th><th>31/12/2025</th><th>31/12/2024</th><th>31/12/2025</th><th>31/12/2024</th></tr><tr><th></th><th>CU</th><th>CU</th><th>CU</th><th>CU</th></tr><tr><td>IFRS 7:40(a)</td><td>Profit or loss</td><td>(i)</td><td></td><td>(iii)</td></tr><tr><td>IFRS 7:40(a)</td><td>Other equity</td><td>(ii)</td><td></td><td>(iv)</td></tr></table>		[Currency B] impact		[Currency C] impact			31/12/2025	31/12/2024	31/12/2025	31/12/2024		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																							
	31/12/2025	31/12/2024	31/12/2025	31/12/2024																						
	CU	CU	CU	CU																						
IFRS 7:40(a)	Profit or loss	(i)		(iii)																						
IFRS 7:40(a)	Other equity	(ii)		(iv)																						
	(i) This is mainly attributable to the exposure outstanding on [Currency B] receivables and payables in the group at the reporting date.																									
	(ii) This is the result of the changes in fair value of derivative instruments designated as cash flow hedges and net investment hedges.																									
	(iii) This is mainly attributable to the exposure to outstanding [Currency C] payables at the reporting date.																									
	(iv) This is mainly as a result of the changes in fair value of derivative instruments designated as cash flow hedges.																									
IFRS 7:33(c)	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.																									
IFRS 7:42	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.																									
	[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.																									
	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 (2024: 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.																									
IFRS 7:22A-22B IFRS 7:33-34	Foreign exchange forward contracts																									
	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.																									
	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.																									

Source	International GAAP Holdings Limited																															
IFRS 7:22B	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 <i>[name of foreign operation]</i> , 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.																															
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): <table><tr><th rowspan="3">Hedging instruments – Outstanding contracts</th><th colspan="2">Average exchange rate</th><th colspan="2">Notional value: Foreign currency</th><th colspan="2">Notional value: Local currency</th><th colspan="2">Change in fair value for recognising hedge ineffectiveness</th><th colspan="2">Carrying amount of the hedging instruments assets/(liabilities)</th></tr><tr><th>31/12/2025</th><th>31/12/2024</th><th>31/12/2025</th><th>31/12/2024</th><th>31/12/2025</th><th>31/12/2024</th><th>31/12/2025</th><th>31/12/2024</th><th>31/12/2025</th><th>31/12/2024</th></tr><tr><th>[rate]</th><th>[rate]</th><th>[FC]</th><th>[FC]</th><th>CU</th><th>CU</th><th>CU</th><th>CU</th><th>CU</th><th>CU</th></tr></table> 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	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)		31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	[rate]	[rate]	[FC]	[FC]	CU	CU	CU	CU	CU	CU
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)																							
	31/12/2025		31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024																					
	[rate]	[rate]	[FC]	[FC]	CU	CU	CU	CU	CU	CU																						

Source	International GAAP Holdings Limited						
IFRS 7:24B(b)						Balance in cash flow hedge reserve/foreign currency translation reserve arising from hedging relationships for which hedge accounting is no longer applied	
	Hedged items	Change in value used for calculating hedge ineffectiveness		Balance in cash flow hedge reserve/foreign currency translation reserve for continuing hedges			
		31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
		CU	CU	CU	CU	CU	CU
	Cash flow hedges						
	Forecast sales (i)						
	Forecast purchases (ii)						
	Net investment hedges						
	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 2025, 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 (2024: 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 2020 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)	The following table details the effectiveness of the hedging relationships and the amounts reclassified from hedging reserve to profit or loss.										
	31/12/2025										
		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	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	CU	CU	
	Cash flow hedges										
	Forecast sales			Other gains and losses							Revenue
	Forecast purchases			Other gains and losses							N/A
	Net investment hedges										
	Investment in [name of foreign operation]			N/A							Profit for the year from discontinued operations
	Investment in [name of foreign operation]			N/A							
31/12/2024											
	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	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	CU	CU	CU	
Cash flow hedges											
Forecast sales			Other gains and losses							Revenue	
Forecast purchases			Other gains and losses							N/A	
Net investment hedges											
Investment in [name of foreign operation]			N/A							Profit for the year from discontinued operations	
Investment in [name of foreign operation]			N/A								
IFRS 7:23F	(i) At the start of the third quarter of 2024, the group reduced its forecasts on sales of electronic equipment to [B Land] 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.										

Source	International GAAP Holdings Limited																																								
	Commentary: <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>																																								
IFRS 7:33-34	(c)(ii) Interest rate risk management 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. The group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note. 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). 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. The carrying amounts of the group's fixed and floating rate assets and liabilities at the reporting date are as follows: <table><tr><th></th><th colspan="2">Fixed rate</th><th colspan="2">Floating rate</th></tr><tr><th></th><th>31/12/2025</th><th>31/12/2024</th><th>31/12/2025</th><th>31/12/2024</th></tr><tr><th></th><th>CU</th><th>CU</th><th>CU</th><th>CU</th></tr><tr><td>Assets</td><td></td><td></td><td></td><td></td></tr><tr><td>Liabilities</td><td></td><td></td><td></td><td></td></tr><tr><td>Net exposure before impact of interest rate swaps</td><td></td><td></td><td></td><td></td></tr><tr><td>Interest rate swaps</td><td></td><td></td><td></td><td></td></tr></table> Net exposure to interest rate risk after impact of interest rate swaps <table><tr><td></td><td>N/A</td><td>N/A</td><td></td><td></td></tr></table> Interest rate sensitivity analysis 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. [Where the assumptions used have changed from previous years, include detail of and reasons for those changes] If interest rates had been __ per cent higher/lower and all other variables were held constant, the group's: - profit for the year ended 31 December 2024 would decrease/increase by CU__ million (2024: decrease/increase by CU__ million). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings - other comprehensive income would decrease/increase by CU__ million (2024: 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. 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. Interest rate swap contracts 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.		Fixed rate		Floating rate			31/12/2025	31/12/2024	31/12/2025	31/12/2024		CU	CU	CU	CU	Assets					Liabilities					Net exposure before impact of interest rate swaps					Interest rate swaps						N/A	N/A		
	Fixed rate		Floating rate																																						
	31/12/2025	31/12/2024	31/12/2025	31/12/2024																																					
	CU	CU	CU	CU																																					
Assets																																									
Liabilities																																									
Net exposure before impact of interest rate swaps																																									
Interest rate swaps																																									
	N/A	N/A																																							

Source	International GAAP Holdings Limited																																																																																																								
IFRS 7:22B IFRS 7:23D-23E	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.																																																																																																								
IFRS 7:23B IFRS 7:24A(b)	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.																																																																																																								
IFRS 7:24A(a) IFRS 7:24A(c)-(d)	Cash flow hedges <u>Hedging instruments</u> – outstanding receive floating, pay fixed contracts <table><tr><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>31/12/2025</th><th>31/12/2024</th><th>31/12/2025</th><th>31/12/2024</th><th>31/12/2025</th><th>31/12/2024</th><th>31/12/2025</th><th>31/12/2024</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><tr><td colspan="8">Less than 1 year</td></tr><tr><td colspan="8">1-2 years</td></tr><tr><td colspan="8">2-5 years</td></tr><tr><td colspan="8">5 years +</td></tr><tr><td colspan="8"> </td></tr><tr><td colspan="8"> </td></tr></table> <u>Hedged items</u> <table><tr><th colspan="2">Nominal amount of the hedged item: 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>31/12/2025</th><th>31/12/2024</th><th>31/12/2025</th><th>31/12/2024</th><th>31/12/2025</th><th>31/12/2024</th><th>31/12/2025</th><th>31/12/2024</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><tr><td colspan="8">Variable rate borrowings</td></tr></table>	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		31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	%	%	CU	CU	CU	CU	CU	CU	Less than 1 year								1-2 years								2-5 years								5 years +																								Nominal amount of the hedged item: 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		31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	CU	CU	CU	CU	CU	CU	CU	CU	Variable rate borrowings							
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																																																																																																			
31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024																																																																																																		
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31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024																																																																																																		
CU	CU	CU	CU	CU	CU	CU	CU																																																																																																		
Variable rate borrowings																																																																																																									
IFRS 7:24B(b)																																																																																																									
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.																																																																																																									
IFRS 7:23C IFRS 7:23E	The following table details the effectiveness of the hedging relationship and the amounts reclassified from hedging reserve to profit or loss: <table><tr><th rowspan="3">Hedged items</th><th colspan="2">Current period gains (losses) on hedging instruments recognised in OCI</th><th colspan="2">Amount of hedge ineffectiveness recognised in profit or loss (P/L)</th><th rowspan="3">Line item in P/L in which hedge ineffectiveness is included</th><th colspan="4">Amount reclassified to P/L</th><th rowspan="3">Line item in P/L in which reclassification adjustment is included</th></tr><tr><th>31/12/2025</th><th>31/12/2024</th><th>31/12/2025</th><th>31/12/2024</th><th colspan="2">Due to hedged future cash flows being no longer expected to occur</th><th colspan="2">Due to hedged item affecting P/L</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><tr><td colspan="6">Variable rate borrowings</td><td colspan="2">Other gains and losses</td><td colspan="2">Finance costs</td><td></td></tr></table>	Hedged items	Current period gains (losses) on hedging instruments recognised in OCI		Amount of hedge ineffectiveness recognised in profit or loss (P/L)		Line item in P/L in which hedge ineffectiveness is included	Amount reclassified to P/L				Line item in P/L in which reclassification adjustment is included	31/12/2025	31/12/2024	31/12/2025	31/12/2024	Due to hedged future cash flows being no longer expected to occur		Due to hedged item affecting P/L		CU	CU	CU	CU	CU	CU	CU	CU	Variable rate borrowings						Other gains and losses		Finance costs																																																																				
Hedged items	Current period gains (losses) on hedging instruments recognised in OCI		Amount of hedge ineffectiveness recognised in profit or loss (P/L)		Line item in P/L in which hedge ineffectiveness is included	Amount reclassified to P/L				Line item in P/L in which reclassification adjustment is included																																																																																															
	31/12/2025		31/12/2024	31/12/2025		31/12/2024		Due to hedged future cash flows being no longer expected to occur			Due to hedged item affecting P/L																																																																																														
	CU	CU	CU	CU		CU	CU	CU	CU																																																																																																
Variable rate borrowings						Other gains and losses		Finance costs																																																																																																	

Source	International GAAP Holdings Limited						
IFRS 7:22A IFRS 7:23A	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.						
	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.						
IFRS 7:23B IFRS 7:23A(a) IFRS 7:24A(c)-(d) IFRS 7:34(a)	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	
		31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
		CU	CU	CU	CU	CU	CU
	Less than 1 year						
	[describe]						
IFRS 7:24B(a)	Hedged item	Carrying amount of the hedged item: assets		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 gains and losses on hedging instruments
		31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
		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			
		31/12/2025	31/12/2024				
		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	(c)(iii) Commodity price risk							
	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.							
IFRS 7:40	Commodity price sensitivity analysis							
	If the commodity prices of the hedged commodity had been __ per cent higher (lower) as of December 2025, profit after tax would have been CU__ million (2024: CU__ million) higher (lower).							
	If the commodity prices of the hedging transactions accounted for using cash flow hedge accounting had been __ per cent higher (lower) as of December 2025, equity would have been CU__ million (2024: CU__ million) higher (lower).							
	Commodity options							
	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.							
	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.							
	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.							
IFRS 7:23C IFRS 7:23E	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):							
IFRS 7:24A(a) IFRS 7:24A(c)-(d)	Cash flow hedges							
	Hedging instruments– outstanding contracts	Average strike price		Quantity		Carrying amount of the hedging instruments		Change in fair value for recognising hedge ineffectiveness
		31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025
		[rate]	[rate]	[..]	[..]	CU	CU	CU
	Less than 3 months							
	3-6 months							
	6-12 months							
	1-2 years							

Source International GAAP Holdings Limited							
IFRS 7:24B(b)						Balance in cash flow hedge reserve/foreign currency translation reserve arising from hedging relationships for which hedge accounting is no longer applied	
	Hedged items	Change in value used for calculating hedge ineffectiveness		Balance in cash flow hedge reserve/foreign currency translation reserve for continuing hedges			
		31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
		CU	CU	CU	CU	CU	CU
	Forecast purchases						
	31/12/2025						
	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						
31/12/2024							
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	(c)(iv) Other price risks						
	The group is exposed to equity price risks arising from equity investments.						
	Equity investments in unlisted entities (see note 24) are held for strategic rather than trading purposes. The group does not actively trade these investments.						
	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 [or insert name of the relevant committee] 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&P 500, NASDAQ 100, etc.						
	Equity price sensitivity analysis						
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)	If equity prices had been __ per cent higher/lower:						
	- net profit for the year ended 31 December 2025 and 2024 would increase/decrease by CU__ million (2024: increase/decrease by CU__ million) as a result of the changes in fair value of the investments in listed shares - other comprehensive income would increase/decrease by CU__ million (2024: increase/decrease by CU__ million) as a result of the changes in fair value of the investments in equity instruments						
	The methods and assumptions used in preparing the sensitivity analysis above have not changed significantly from the prior year.						
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	(d) Credit risk management Note 62(d)(ii) details the group's maximum exposure to credit risk and the measurement bases used to determine expected credit losses.
IFRS 7:35F(a)(i)	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.
IFRS 7:34(c)	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. 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 entity 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.
IFRS 7:B8 IFRS 7:34(c) IFRS 7:35B(c)	Of the trade receivables balance at the end of the year, CU__ million (2024: 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.
IFRS 7:B10(b)	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.
IFRS 7:B10(c)	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 2025, an amount of CU__ (2024: 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).

Source International GAAP Holdings Limited

IFRS 7:35K(b)

(d)(i) Collateral held as security and other credit enhancements

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 (2024: CU__ million) and the fair value of the leased assets is estimated to be approximately CU__ million (2024: 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.

Commentary:

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:

- *a narrative description of collateral held as security and other credit enhancements, including:*
 - *a description of the nature and quality of the collateral held*
 - *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*
 - *information about financial instruments for which an entity has not recognised a loss allowance because of the collateral*
- *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.*

IFRS 7:7
IFRS 7:31
IFRS 7:35K(a)**(d)(ii) Overview of the group's exposure to credit risk**

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 2025, 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:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position
- 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.

IFRS 7:35M
IFRS 7:B10(c)

The group's current credit risk grading framework comprises the following categories:

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

Source	International GAAP Holdings Limited							
IFRS 7:35M-35N IFRS 7:36(a)	Commentary:							
	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.							
	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:							
	31/12/2025	Note	External credit rating	Internal credit rating	12-month or lifetime ECL?	Gross carrying amount	Loss allowance	Net carrying amount
						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 receivables	31	N/A	(ii)	Lifetime ECL (simplified approach)			
	Other receivables	31	N/A	Performing	12-month ECL			
Finance lease receivables	29	N/A	(ii)	Lifetime ECL (simplified approach)				
Contract assets	27	N/A	(ii)	Lifetime ECL (simplified approach)				
Financial guarantee contracts (i)	38	N/A	Performing	12-month ECL		N/A	N/A	

Source International GAAP Holdings Limited							
31/12/2024	Note	External credit rating	Internal credit rating	12-month or lifetime ECL?	Gross carrying amount	Loss allowance	Net carrying amount
					CU	CU	CU
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 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 receivables	31	N/A	(ii)	Lifetime ECL (simplified approach)			
Other receivables	31	N/A	Performing	12-month ECL			
Finance lease receivables	29	N/A	(ii)	Lifetime ECL (simplified approach)			
Contract assets	27	N/A	(ii)	Lifetime ECL (simplified approach)			
Financial guarantee contracts (i)	38	N/A	Performing	12-month ECL		N/A	N/A
(i) For financial guarantee contracts, the gross carrying amount represents the maximum amount the group has guaranteed under the respective contracts.							
(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.							

Source	International GAAP Holdings Limited
IFRS 7:36(a)-(b) IFRS 7:B10(b)	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. 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. Commentary: <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> • <i>financial assets and derivatives measured at FVTPL</i> • <i>financial guarantee contracts issued measured at FVTPL</i> • <i>loan commitments issued measured at FVTPL.</i> <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>
IFRS 7:33-34	(e) Liquidity risk management 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.
IFRS 7:34-35 IFRS 7:39(c)	(e)(i) Liquidity and interest risk tables 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.
IFRS 7:B10(c)	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. The contractual maturity is based on the earliest date on which the group may be required to pay. Commentary: <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>

Source	International GAAP Holdings Limited											
IFRS 7:39(b)		Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1–2 years	2–5 years	5+ years	Total	Carrying amount		
		%	CU	CU	CU	CU	CU	CU	CU	CU		
	31 December 2025											
	Trade and other payables											
	Accruals											
	Variable interest rate instruments (nominal)											
	Fixed interest rate instruments (nominal)											
	Interest on the interest bearing instruments											
	Financial guarantee contracts											
	Contingent consideration											
	31 December 2024											
	Trade and other payables											
	Accruals											
	Variable interest rate instruments (nominal)											
	Fixed interest rate instruments (nominal)											
	Interest on the interest bearing instruments											
	Financial guarantee contracts											
	Contingent consideration											
	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.											
			Less than 1 month	1-3 months	3 months to 1 year	1–2 years	2–5 years	5+ years				
			CU	CU	CU	CU	CU	CU				
	31 December 2025											
	Net settled (derivative liabilities):											
		Interest rate swaps										
		Commodity options										
Gross settled:												
	Foreign exchange forward contracts – gross outflows											
	Currency swaps – gross outflows											
31 December 2024												
Net settled (derivative liabilities):												
	Interest rate swaps											
	Commodity options											
Gross settled:												
	Foreign exchange forward contracts – gross outflows											
	Currency swaps – gross outflows											

Source International GAAP Holdings Limited

(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

31 December 2025

Trade and other receivables

Contract assets

Lease receivables

Investments in debt and equity instruments

Derivative assets settled net

Gross inflow on derivatives settled gross

31 December 2024

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 (2024: 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	
	31/12/2025	31/12/2024
	CU	CU
IAS 7:50(a)	Unsecured bank overdraft facility, reviewed annually and payable at call:	
	amount used	
	amount unused	
	Unsecured bill acceptance facility, reviewed annually:	
	amount used	
	amount unused	
	Secured bank overdraft facility:	
	amount used	
	amount unused	
	Secured bank loan facilities with various maturity dates through to 2025 and which may be extended by mutual agreement:	
	amount used	
	amount unused	
IAS 1:134-135	(f) Capital risk management	
	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 2024.	
	The capital structure of the group consists of net debt and equity of the group.	
	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).	
	Equity includes capital, reserves, retained earnings, and non-controlling interests as disclosed in notes 40 to 51.	
	The group is not subject to any externally imposed capital requirements.	
	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 2025 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.	

Source	International GAAP Holdings Limited			
	Gearing ratio			
	The gearing ratio at the year-end is as follows:			
		31/12/2025	31/12/2024	
		CU	CU	
	Debt			
	Cash and cash equivalents (including cash and bank balances in a disposal group held for sale)			
	Net debt			
	Equity			
	Net debt to equity ratio	%	%	
IAS 10:21	63. Events after the reporting period			
	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__.			
IAS 24:13	64. Related party transactions			
	Balances and transactions between entities in the group have been eliminated on consolidation and are not disclosed in this note. Transactions between the group and its associates/joint ventures are disclosed below.			
IAS 24:18-19	Trading transactions			
	During the year, group entities entered into the following transactions with related parties who are not members of the group:			
		Sale of goods		Purchase of goods
		31/12/2025	31/12/2024	31/12/2025
		CU	CU	CU
	X Holdings			
	Associates			
	Joint ventures			
	The following amounts were outstanding at the reporting date:			
		Amounts owed by related parties		Amounts owed to related parties
		31/12/2025	31/12/2024	31/12/2025
		CU	CU	CU
	X Holdings			
	Associates			
	Joint ventures			

Source	International GAAP Holdings Limited																												
	X Holdings is a related party of the group because <i>[give reasons]</i> .																												
IAS 24:23	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. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. Amounts repayable to X Holdings carry interest of __ per cent to __ per cent (2024: __ per cent to __ per cent) per annum charged on the outstanding loan balances (see note 32).																												
IAS 24:17	Remuneration of key management personnel 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>. <table><tr><th></th><th>31/12/2025</th><th>31/12/2024</th></tr><tr><th></th><th>CU</th><th>CU</th></tr><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></table>			31/12/2025	31/12/2024		CU	CU	Short-term employee benefits			Post-employment benefits			Other long-term benefits			Termination benefits			Share-based payments								
	31/12/2025	31/12/2024																											
	CU	CU																											
Short-term employee benefits																													
Post-employment benefits																													
Other long-term benefits																													
Termination benefits																													
Share-based payments																													
IAS 24:18	Loans to related parties <table><tr><th></th><th>31/12/2025</th><th>31/12/2024</th></tr><tr><th></th><th>CU</th><th>CU</th></tr><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></table> The group has provided its associates and joint venture with short-term loans at rates comparable to the average commercial rate of interest (see note 24).			31/12/2025	31/12/2024		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>		
	31/12/2025	31/12/2024																											
	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>																													
IAS 10:17	65. Approval of the financial statements The financial statements were approved by the board of directors and authorised for issue on <i>[date]</i>.																												

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.

Contents

Climate change

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Source International GAAP Holdings Limited

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	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. 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.
4. Critical accounting judgements and key sources of estimation uncertainty 16. Goodwill 17. Intangible assets 18. Property, plant and equipment 21. Associates 22. Joint ventures 30. Leases (group as a lessee)	Impairment of non-financial assets	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. 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. An entity should consider the long-term impacts of climate change and consider disclosing climate-related assumptions as key assumptions.
3. Accounting policies 18. Property, plant and equipment 17. Intangible assets 30. Leases (group as a lessee)	Changes in the recognition, useful life or residual value of assets	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. Adaption 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. In addition, intangible assets related to carbon offset schemes may need to be recognised. 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. Such factors should be incorporated into a review of an asset's useful life and residual value.

Source International GAAP Holdings Limited			
Section	Area	Commentary	
39. Provisions 55. Contingent liabilities	Provisions, contingencies and onerous contracts	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. 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.	
4. Critical accounting judgements and key sources of estimation uncertainty	Key judgements and estimates disclosures	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. 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. 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. 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. 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.	
4. Critical accounting judgements and key sources of estimation uncertainty	Information that is relevant to understanding the financial statements	If users of the financial statements could reasonably expect that climate change-related risks will have significant impact on the parent entity 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 entity may only be experienced in the medium to longer term.	

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	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. 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.	
58. Retirement benefit plans	Impact on pension risks from climate	Pension trustees are required to consider all material financial risks, including the exposure of pension assets to climate change risk. 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.	
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. 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			
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 <i>Inventories</i> 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 59. Deferred income—government grant	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. IAS 20 <i>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 – Early adoption of *Amendments to Classification and Measurement*



Important note – Appendix 2

At the time of producing this document, the final version of the *December 2025 IFRS Illustrative Financial Statements* had not been published. The final version will include appendices demonstrating the required disclosures upon early application of the amendments to IFRS 9 and IFRS 7 titled *Amendments to the Classification and Measurement of Financial Instruments*, which were published by the IASB in May 2024, and *Contracts Referencing Nature-dependent Electricity*, published by the IASB in December 2024. Therefore, this document does not contain appendices 2 and 3.

This document will be updated when the final *December 2025 IFRS Illustrative Financial Statements* are published.

The final version of the *December 2025 IFRS Illustrative Financial Statements* will also be made available on www.iasplus.com.

Appendix 3 – Early adoption of *Contracts Referencing Nature- dependent Electricity*



Important note – Appendix 3

At the time of producing this document, the final version of the *December 2025 IFRS Illustrative Financial Statements* had not been published. The final version will include appendices demonstrating the required disclosures upon early application of the amendments to IFRS 9 and IFRS 7 titled *Amendments to the Classification and Measurement of Financial Instruments*, which were published by the IASB in May 2024, and *Contracts Referencing Nature-dependent Electricity*, published by the IASB in December 2024. Therefore, this document does not contain appendices 2 and 3.

This document will be updated when the final *December 2025 IFRS Illustrative Financial Statements* are published.

The final version of the *December 2025 IFRS Illustrative Financial Statements* will also be made available on www.iasplus.com.

Appendix 4 – 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 develop transparent entity-specific disclosures.



The illustrative disclosures in this appendix only illustrate Australian specific disclosures and requirements that are in addition to, or instead of, the disclosures included in the core model financial statements.



Section *About the model financial report* (starting on page 1) of the *Core model financial statements* illustrates how a complete financial report can be developed using the information in this appendix and the core model financial statements.

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
Prior corresponding period

Year ended 31 December 2025
Year ended 31 December 2024

Results for announcement to the market

Appendix 4E, Item 2,
Footnote

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

			% Change		\$'000
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

		Amount per share	Franking ⁽¹⁾	Total amount \$'000
Appendix 4E, Item 2.4	Final dividend paid on 7 April 2025 (prior year)	___ cents	___ %	[Amount]
Appendix 4E, Item 2.4	Interim dividend paid on 6 October 2025	___ cents	___ %	[Amount]
Appendix 4E, Item 2.4	Final dividend declared on 23 February 2026 ⁽²⁾	___ cents	___ %	[Amount]

Appendix 4E, Item 2.5 Record date for determining entitlements to dividends 23 March 2026

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 6 April 2026 and is not recognised as a liability as at 31 December 2025.

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, an 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

	31/12/2025	31/12/2024*
Net tangible assets per share	___ cents	___ cents

* The information for 31 December 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. The definition references “excluded assets” which include intangible assets (within the meaning of AASB 138 *Intangible Assets*, including goodwill) and deferred tax assets as being 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 are 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, liability 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 235.
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.292(1)
s.298(1)

A company, registered scheme, registrable superannuation entity⁷⁹, sub-fund of a CCIV⁸⁰ 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

[*ASIC Corporations \(Directors' Report Relief\) Instrument 2016/188*](#) allows flexibility where directors' report information required by the Corporations Act is located. Certain information can be transferred to another document that accompanies the directors' report and financial statements (e.g. the "front section" of the annual report), or, in some cases, to be transferred to the financial statements themselves.

This flexibility is designed so that related information is located in the same place, allowing it to be presented more effectively. For instance, information about the directors and their qualifications, experience and special responsibilities may be included elsewhere in the annual report instead of the directors' report itself, and the auditor's independence declaration can be presented outside of the directors' report.

Conditions for applying the relief include:

- The directors' report must include a cross reference to the page or pages where the information has been transferred
- The directors' report and financial report must be lodged with ASIC together with the transferred information (in other words, the entire report which contains the transferred information is lodged)
- The directors' report and financial report should not be distributed without the transferred information.

Not all information can be transferred from the directors' report under the Corporations Instrument. For example, the remuneration report must be presented as part of the directors' report. Entities wishing to apply the relief should familiarise themselves with the Corporations Instrument to determine if particular information can be transferred, and if so, where that information can be transferred.

Where information is transferred into the financial statements it will be subject to audit.

⁷⁹ Registrable superannuation entities should refer to the latest edition of our model superannuation entity model financial report for guidance on preparing directors' reports. These are available at www.deloitte.com/au/models.

⁸⁰ The requirements in s.292(1) and s.298(1) for the preparation of a directors' report extends to each sub-fund of a CCIV by virtue of s.1232C(1)(b). S.1232(1) and s.1232C(4) modify the meaning of a director to instead to refer to the corporate director of the CIV or a director of the corporate director of the CCIV.

Source

The directors of International GAAP Holdings Limited present the annual report of the company for the financial year ended 31 December 2025. To comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Information about the directors

The names and particulars of the directors of the company during or since the end of the financial year are:

s.300(1)(c),
s.300(10)(a)

Name *[all entities]*

Particulars *[public companies only]*

Mr C.J. Chambers

Chairman, Chartered Accountant, appointed non-executive director in November 2019 and appointed chairman of the board in May 2022.

[Describe the director's experience e.g. Mr C.J. Chambers has [number of years] experience in the [sectors/industry] holding various senior management and executive level roles with the most recent being [describe the experience] from [date] to [date]. Prior to this Mr C.J. Chambers [describe the directors experience].

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, appointed executive director in February 2021. Since joining *[Company]* in *[date]*, Mr P.H. Taylor has held roles in *[describe the experience]*. Mr P.H. Taylor was previously the CEO at a large manufacturing company.

Ms F.R. Ridley

Chartered Accountant, appointed non-executive director in June 2022.

[Describe the director's experience e.g. Ms F.R. Ridley has [number of years] experience in the [sectors/industry]. Between [date] to [date] Ms F.R. Ridley was Head of the [Division A] of [Land A] at [Company]. Prior to this Ms F.R. Ridley [describe the directors experience].

Ms F.R. Ridley is a member of the nomination and remuneration committee, and of the audit committee.

Mr A.K. Black

Industrial Engineer, appointed non-executive director on 8 January 2025. He previously held various senior management positions in manufacturing and wholesale companies.

Ms B.M. Stavrinidis

Director of Merchant Bank Limited, appointed non-executive director in May 2020 in a non-executive capacity.

[Describe the director's experience e.g. Ms B.M. Stavrinidis has [number of years] experience in the [sectors/industry] holding various senior management and executive level roles with the most recent being [describe the experience] from [date] to [date]. Prior to this Ms B.M. Stavrinidis [describe the directors experience].

Ms B.M. Stavrinidis is a member of the nomination and remuneration committee, the audit committee, and the risk management committee.

Source

Information about the directors (continued)

Name [all entities]	Particulars [public companies only]
Mr W.K. Flinders	Practicing Solicitor appointed non-executive director in October 2017 and resigned during the year. <i>[Describe the director's experience e.g. Mr W.K. Flinders has [number of years] experience in the [sectors/industry]. Between [date] to [date] Mr W.K. Flinders was Head of the [Division A] of [Land A] at [Company]. Prior to this Mr W.K. Flinders [describe the directors experience].</i> Mr W.K. Flinders was a member of the nomination and remuneration committee until his resignation.
Ms S.M. Saunders	Practicing Solicitor, appointed non-executive director on 12 February 2025 and resigned after year end. <i>[Describe the director's experience e.g. Ms S.M. Saunders has [number of years] experience in the [sectors/industry] holding various senior management and executive level roles with the most recent being [describe the experience] from [date] to [date]. Prior to this Ms S.M. Saunders [describe the directors experience].</i> 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 8 January 2025
- Ms S.M. Saunders – appointed 12 February 2025, resigned 21 January 2026
- Mr A.K. Black – appointed 8 January 2025.

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 Yarwood Limited	Since 2021 2022 – 2025

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

s.300(11)(a), (b), (c) **Directors' shareholdings [listed companies only]⁸¹**
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:

International GAAP Holdings Limited			
Directors	Fully paid ordinary shares Number	Share options Number	Convertible notes Number
C.J. Chambers P.H. Taylor A.K. Black			
s.608	Directors are considered to have a relevant interest where the director:		
	- Is the holder of the securities - Has power to exercise, or control the exercise of, a right to vote attached to the securities, or - Has power to dispose of, or control the exercise of a power to dispose of, the securities.		
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 215). 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.

⁸¹ 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 31 December 2025 (i.e. the end of the reporting period).

Source

s.300(1)(d)

Share options granted to directors and senior management

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 _____ 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 remuneration⁸²:

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	

s.300(10)(d)

Company secretary [public companies only]

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 2023 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.

s.299(1)(c),
AASB 101:138(b)

Principal activities

The consolidated entity’s principal activities during 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.

⁸² 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

Review of operations

The directors' report must contain a review of the entity's⁸³ operations during the financial year and the results of those operations. The Corporations Act contains additional general requirements for listed public companies.

s.299A(1), (2)

Additional requirements for listed companies, listed registered schemes and listed disclosing entities

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 operations of the entity
- The financial position of the entity
- The business strategies, and prospects for future financial years, of the entity.

s.299A(3)

The directors' report may omit material that would otherwise be included under s.299A(1)(c) concerning the entity's business strategies and prospects for future financial years, if it is likely to result in unreasonable prejudice to the entity or any entity (including the company, registered scheme or disclosing entity) that is part of the entity. If material is omitted, the report must say so.

ASIC-RG 247

ASIC Regulatory Guide 247 *Effective disclosure in an operating and financial review*

In preparing this disclosure, entities may wish to refer to [ASIC Regulatory Guide 247 *Effective disclosure in an operating and financial review*](#) (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.

Preparing an operating and financial review

An OFR should:

- 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
- Present a narrative and analysis about the entity's results and financial position
- 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.

Operations and financial position

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:

- Explain the underlying drivers of its results and key developments in the reporting period, and discuss significant factors affecting the entity's results
- Explain the entity's business model and its effect on the entity's operations
- Discuss the results of the key operating segments and major components of the overall result
- 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
- Consider the guidance in [ASIC Regulatory Guide 230 *Disclosing non-IFRS financial information*](#) (see page 208).

⁸³ If Australian Accounting Standards require the entity to prepare consolidated financial statements, the review must cover the consolidated entity.

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. Examples of the risks that could have material impact on the future financial performance of a particular entity include: climate change, digital disruption, new technologies, geopolitical risks and cyber security.

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 as 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

ASIC Regulatory Guide 280 *Sustainability reporting* ***Sustainability-related financial information in the OFR***

ASIC-RG 280.122	The objective of the OFR requirements is to provide members with an overarching narrative and analysis that supplements the financial report and, where required, the sustainability report to the extent required to satisfy s.299A. It assists members in understanding the operations, financial position, business strategies and prospects of an entity.
ASIC-RG 280.123 s.299A(1)	Listed entities must disclose sustainability-related financial information, including climate-related financial information, if it would be reasonably required by members in making an informed assessment of the entity's operations, financial position, business strategies and prospects for future financial years.
ASIC-RG 280.124	When disclosing sustainability-related financial information in the OFR entities are encouraged to adopt relevant definitions from AASB S1 and AASB S2 where those terms are used in the OFR and apply the principles for disclosing useful sustainability-related financial information from those standards when disclosing sustainability-related financial information in the OFR.
ASIC-REP 809:76	The extent to which it is appropriate to include sustainability-related information in the OFR and the level of detail that should be included, depends on the nature of the entity's business and other relevant circumstances. Where climate-related financial disclosures are included in the OFR to satisfy s.299A requirements, these should be contextualised within the overarching summary of the entity's operations, financial position, and business strategies and prospects for future financial years.
ASIC-RG 280.125	<i>Interaction between the OFR and sustainability report</i> A sustainability report is a separate report to both the directors' report and annual financial report under s314(1)(a). Therefore, the sustainability report cannot form part of a directors' report, including the OFR under s.299A(1)(c).
ASIC-RG 280.128	The Corporations Act may require a listed reporting entity to disclose strategy, risk and opportunity-related information in both the OFR and sustainability report. This is because the disclosure of: • Business strategies and prospects for future financial years is required under s.299A(1)(c). This may include opportunities and material business risks to prospects • Information about climate-related financial risks and opportunities is required under s296D(1)(a) • Information about the climate-related strategy of the reporting entity in relation to those risks and opportunities and climate-related metrics and targets is required under s.296D(1)(c)(i).
ASIC-RG 280.129	To the extent required to satisfy s.299A, the OFR may play an expanded role in situating the specific climate-related strategies and material financial risks and opportunities relating to climate that are disclosed in a listed reporting entity's sustainability report, within the broader context of the listed reporting entity's corporate strategy (including risks and opportunities) and prospects for future financial years.

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 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 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 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 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 entity and its strategy
- A review of operations, considering both short and longer-term value creation in the context of the entity's strategy
- Information on investments made to enhance future value creating potential
- A review of the 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 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:

- Entity overview and strategy:
 - Explaining the objectives of the 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 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 entity, including significant features of operating performance for the period under review. It should cover all aspects of operations, focusing on the entity as a whole "through the eyes of the directors". It should not be boilerplate, and should cover significant financial and non-financial aspects of the entity's performance in the period. 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 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 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 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

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 misleading⁸⁴.

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
 - Calculated consistently from period to period
 - 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.

ASIC-RG 230

⁸⁴ Non-IFRS financial information is financial information presented other than in accordance with all relevant Australian Accounting Standards.

Source

s.299(1)(b)

Changes in state of affairs

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.

s.299(1)(d)

Subsequent events

On 17 January 2026, 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, no matter or circumstance has arisen 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.

s.299(1)(e), s.299(3)

Future developments

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.

s.299(1)(f)

Environmental regulations

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 31 December 2024, as detailed in the directors' report for that financial year, a final dividend of ___ cents per share franked to ___% at the 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 7 April 2025.
- s.300(1)(a) For the financial year ended 31 December 2025, an interim dividend of ___ cents per share franked to ___% at the 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 6 October 2025.
- s.300(1)(a) For the financial year ended 31 December 2025, a dividend of ___ cents per share franked to ___% at the 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 31 December 2025, an interim dividend of ___ cents per share franked to ___% at the 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 31 December 2025, the directors recommend the payment of a final dividend of ___ cents per share franked to ___% at the 30% corporate income tax rate on 6 April 2026 to the holders of fully paid ordinary shares on 23 March 2026.

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.

- AASB 110.13 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 recognised 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

s.300(1)(g),
s.300(8), s.300(9)**Indemnification of officers and auditors**

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named earlier in this report), 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 2001*. 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

s.300(2A), s.300(11B)(a)	Non-audit services <i>[listed companies only]</i> 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 269).
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 <i>Corporations Act 2001</i>.
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:
s.300(11B)(c) APES 110 para R600.22	• All non-assurance services have been approved by Those Charged with Governance as set out in APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> 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) ASIC-CI 2016/188	Auditor's independence declaration The auditor's independence declaration is included after this report on page 232.
s.300(11AA)	Extension of audit rotation period <i>[listed companies only]</i> 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 <i>Corporations Act</i>) 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



ASIC regulatory simplification

On 3 September 2025, ASIC released a [report](#) on regulatory simplification, which outlines ASIC's progress on simplification in the way ASIC administers the law in areas where it regulates and seeking input on further initiatives (see section C2.8). The report proposes consolidating and streamlining 21 identified Corporations Instruments related to financial reporting, accounting and auditing.

At the date of finalisation of this document (24 September 2025), the consolidated Corporations Instrument and updated guidance had not been issued. In the event the proposals are finalised in their [current form](#), the citations in the illustrative example below will need to refer to the new consolidated Corporations Instrument from the date it is effective.

If the company is of a 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
Clause 5(2)(f)

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 31 December 2025. 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 8 January 2025)
B.M. Stavrinidis
W.K. Flinders (resigned 12 February 2025)
S.M. Saunders (appointed 12 February 2025,
resigned 21 January 2026)

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 19 January 2025)
N.W. Wright (resigned 21 June 2025)
T.L. Smith (appointed 15 January 2025)

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:
 - (i) The name of the consultant
 - (ii) A statement that the consultant made such a recommendation
 - (iii) 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
 - (iv) The amount and nature of the consideration payable for the remuneration recommendation
 - (v) The amount and nature of the consideration payable for any other kind of advice referred to in subparagraph (iii)
 - (vi) 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
 - (vii) 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
 - (viii) 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 31 December 2025:

	31 Dec 25 \$'000	31 Dec 24 \$'000	31 Dec 23 \$'000	31 Dec 22 \$'000	31 Dec 21 \$'000
Revenue					
Net profit before tax					
Net profit after tax					
	31 Dec 25	31 Dec 24	31 Dec 23	31 Dec 22	31 Dec 21
Share price at start of year	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
Share price at end of year	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
Interim dividend ⁽ⁱ⁾	____ cps	____ cps	____ cps	____ cps	____ cps
Final dividend ^{(i),(ii)}	____ 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

	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)	
2025	\$	\$	\$	\$	\$	\$	\$	\$
Non-executive directors								
C.J. Chambers								
F.R. Ridley								
A.K. Black								
B.M. Stavrinidis								
W.K. Flinders								
S.M. Saunders								
Executive officers								
P.H. Taylor								
W.L. Lee								
L.J. Jackson								
C.P. Daniels								
N.W. Wright								
T.L. Smith								
Total								

Reg2M.3.03(1)
(Item 6-9, 11)

	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)	
2024	\$	\$	\$	\$	\$	\$	\$	\$
Non-executive directors								
C.J. Chambers								
F.R. Ridley								
B.M. Stavrinidis								
W.K. Flinders								
O.H. O'Brien								
Executive officers								
P.H. Taylor								
W.L. Lee								
L.J. Jackson								
C.P. Daniels								
N.W. Wright								
E.P. Hart								
Total								

- (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)

Remuneration of key management personnel (continued)

The relative proportions of those elements of remuneration of key management personnel that are linked to performance:

	Fixed remuneration		Remuneration linked to performance	
	2025	2024	2025	2024
Non-executive directors				
C.J. Chambers	100%	100%	-	-
F.R. Ridley	100%	100%	-	-
A.K. Black (i)	100%	-	-	-
B.M. Stavrinidis	100%	100%	-	-
W.K. Flinders	100%	100%	-	-
S.M. Saunders (ii)	100%	-	-	-
O.H. O'Brien (iii)	-	100%	-	-
Executive officers				
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%	-
T.L. Smith (iv)	96.5%	-	3.5%	-

(i) A.K. Black was appointed 8 January 2025 therefore amounts for 2024 are zero.

(ii) S.M. Saunders was appointed 12 February 2025 therefore amounts for 2024 are zero.

(iii) O.H. O'Brien resigned 10 May 2024 therefore amounts for 2025 are zero.

(iv) T.L. Smith was appointed 15 January 2025 therefore amounts for 2024 are zero.

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.

Source

Reg2M.3.03(1)
(Item 6-11)**Payments and benefits**

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).

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 yearReg2M.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.

Source

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 \$ ____ 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	30/03/23	\$ ____	\$ ____	30/03/26	Vests at the date of grant.
Series 4	30/09/24	\$ ____	\$ ____	30/09/26	Vests on the date that the International GAAP Holdings Limited share price exceeds \$ __, and provided that the eligible recipient is employed by the company on that date

Reg2M.3.03(1)
(Item 12(d), 14)

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

Source

Reg2M.3.03(1)
(Item 16)**Employee share option plan (continued)**

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 issued	Amount paid	Amount unpaid
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.

s.300A(1)(e)(iv)

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>	-

Source

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

Reg2M.3.03(3)

Options and rights over equity instruments

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 01/01/2025	Interest charged	Arm's length interest differential (i)	Allowance for doubtful receivables	Balance at 31/12/2025	Number of key management personnel
\$	\$	\$	\$	\$	
[amount]	[amount]	[amount]	[amount]	[amount]	[number]
(iii) 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.					

Reg2M.3.03(1)
(Item 21)

Key management personnel with loans above \$100,000 in the reporting period:

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)

	Balance at 01/01/2025	Interest charged	Arm's length interest differential (i)	Allowance for doubtful receivables	Balance at 31/12/2025	Highest loan balance during the period
Name	\$	\$	\$	\$	\$	\$
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

	Balance at	Granted as	Received on	Net other	Balance at	Balance held
	01/01/2025	compensation	exercise of	change	31/12/2025	nominally
Name	No.	No.	No.	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	-
N.W. Wright (i)	2,000	-	4,167	-	6,167	-

(i) It should be noted N.W. Wright resigned on 21 June 2025 and therefore the balance of securities held as at 31 December 2025 represents the balance held at the date of resignation, accordingly all movements in equity holdings disclosed reflect only those movements which took place during the period that N.W. Wright was a key management person.

Convertible notes of International GAAP Holdings Limited

	Balance at	Granted as	Received on	Net other	Balance	Balance held
	01/01/2025	compensation	exercise of	change	at 31/12/2025	nominally
Name	No.	No.	No.	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)

	Bal at	Granted as		Net other	Bal at	Bal vested	Vested but	Vested	Options
	01/01/2025	compensation	Exercised	change	31/12/2025	at 31/12/2025	not exercisable	and exercisable	vested during year
Name	No.	No.	No.	No.	No.	No.	No.	No.	No.
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 2025 and 2024 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 Ms 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

2025

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, 12 March 2026

Auditor's independence declaration

Source



The wording below reflects the impacts of the introduction of mandatory sustainability reporting in Australia. The illustrative wording has been developed based on the requirements of the Corporations Act. It is possible that guidance may be provided by ASIC or professional bodies on the wording of the declaration, or practice may develop over time, which may differ from the wording below. Entities should monitor developments in this area.

Deloitte.

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Australia

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The Board of Directors
International GAAP Holdings Limited
167 Admin Ave
Sydney NSW 2000

12 March 2026

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 and review of the sustainability report of International GAAP Holdings Limited for the financial year ended 31 December 2025, 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 of the financial report and review of the sustainability report; and
- (ii) any applicable code of professional conduct in relation to the audit or review.

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 or an audit or review⁸⁵ of the sustainability 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 or sustainability 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 or sustainability 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).

⁸⁵ Though s.307C of Corporations Act refers to an audit of sustainability report only, s.1707E clarifies that references to audit include a reference to a review of a sustainability report where AUASB requires a sustainability report to be reviewed to any extent. Further, the [Explanatory Memorandum](#) to *Treasury Law Amendment (Financial Market Infrastructure and Other Measures) Bill 2024* (which modified the Corporations Act to introduce mandatory sustainability reporting in Australia) states that the auditor's independence declaration must be provided when the auditor is conducting an audit or a review of the sustainability report (par. 4.138).

Source

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

An independent auditor's report is 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 describes 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 states 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 describes 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 does 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 are not 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 includes a reference to the related disclosure(s), if any, in the financial report and addresses:

- 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, in the directors' opinion:

- s.295(4)(d) (a) the attached consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and its performance for the year ended on that date; and
 - (ii) complying with the Australian Accounting Standards and the *Corporations Regulations 2001*;
- s.295(4)(c) (b) 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) (c) the attached financial statements are in compliance with IFRS® Accounting Standards⁸⁶, as stated in note 1 to the consolidated financial statements; and
- s.295(4)(da) (d) the attached consolidated entity disclosure statement is true and correct⁸⁷.

The following statement is required for listed companies, listed disclosing entities and listed registered schemes:

- s.295(4)(e) The directors have been given the declarations required by s.295A of the *Corporation Act 2001*.



ASIC regulatory simplification

On 3 September 2025, ASIC released a [report](#) on regulatory simplification, which outlines ASIC's progress on simplification in the way ASIC administers the law in areas where it regulates and seeking input on further initiatives (see section C2.8). The report proposes consolidating and streamlining 21 identified Corporations Instruments related to financial reporting, accounting and auditing.

At the date of finalisation of this document (24 September 2025), the consolidated Corporations Instrument and updated guidance had not been issued. In the event the proposals are finalised in their [current form](#), the citations in the illustrative example below will need to refer to the new consolidated Corporations Instrument from the date it is effective.

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:

⁸⁶ The IFRS Foundation 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" (emphasis added). 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". This illustrative example refers to "IFRS Accounting Standards" but other wording may also be acceptable.

⁸⁷ This statement is required by public companies (listed and unlisted) as only those entities are required to present a consolidated entity disclosure statement. For listed public companies, the chief executive officer and chief financial officer must also include a statement in their declaration to the directors given under s.295A that the consolidated entity disclosure statement is true and correct.

Source

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.

ASIC-CI 2016/785,
s.6(w)

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, 12 March 2026

Consolidated statement of financial position

as at 31 December 2025

Source

AASB 101:10(a),(ea),(f)
51(b),(c), 113
AASB 101:51(d), (e)
AASB 101:10(f), 40A

	Notes	31/12/2025 \$'000	31/12/2024 \$'000 (restated)*	01/01/2023 \$'000 (restated)*
Assets				
Current assets				
AASB 101:60-61, 66-68				
AASB 101:54(i)				
AASB 101:54(h), AASB 15:116(a)	31			
AASB 15:105, 116(a)	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			
Total current assets				
Non-current assets				
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				
Total non-current assets				
Total assets				

Source

AASB 101:10(a),(ea),(f)

51(b),(c), 113

AASB 101:51(d), (e)

AASB 101:10(f), 40A

	Notes	31/12/2025 \$'000	31/12/2024 \$'000 (restated)*	01/01/2023 \$'000 (restated)*
Liabilities				
Current liabilities				
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>			
AASB 101:54(p)	Liabilities directly associated with assets			
AASB 5:38-39	classified as held for sale	13		
Total current liabilities				
Non-current liabilities				
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>			
Total non-current liabilities				
Total liabilities				
Net assets				
Equity				
Capital and reserves				
AASB 101:55	Share capital	40		
AASB 101:55	Reserves	43 - 49		
AASB 101:55	Retained earnings	50		
AASB 101:54(r)	Equity attributable to owners of the parent entity			
AASB 101:54(q), 10:22	Non-controlling interests	51		
AASB 101:55-55A	Total equity			

*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
- 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 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 IFRS Accounting Standards as issued by the IASB⁸⁸.

Summary of requirements

- AASB 1054:7** An entity whose financial statements comply with Australian Accounting Standards makes an explicit and unreserved statement of such compliance in the notes. An entity does 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 discloses 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 discloses in the notes whether the financial statements are general purpose financial statements or special purpose financial statements.

⁸⁸ The IFRS Foundation 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” (emphasis added). 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”. This illustrative example refers to “IFRS Accounting Standards” but other wording may also be acceptable.

Source

AASB 101:51(d)

1. General information (continued)

Presentation currency and rounding

These financial statements are presented in Australian Dollars (\$). Foreign operations are included in accordance with the policies set out in note 3.



ASIC regulatory simplification

On 3 September 2025, ASIC released a [report](#) on regulatory simplification, which outlines ASIC’s progress on simplification in the way ASIC administers the law in areas where it regulates and seeking input on further initiatives (see section C2.8). The report proposes consolidating and streamlining 21 identified Corporations Instruments related to financial reporting, accounting and auditing.

At the date of finalisation of this document (24 September 2025), the consolidated Corporations Instrument and updated guidance had not been issued. In the event the proposals are finalised in their [current form](#), the citations in the illustrative example below will need to refer to the new consolidated Corporations Instrument from the date it is effective.

If the company is an entity of a 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,
Clause 5(2)(f)
AASB 101:51(e)

The company is an entity 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
Clause 5(2)(g)

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 31 December 2025
- New and revised Australian Accounting Standards that are not mandatorily effective (but allow early application) for the year ending 31 December 2025
- 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 24 September 2025. 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 and disclose 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)



Considering Australian Sustainability Reporting Standards in the disclosures about Standards effective for the current year or not yet effective

The following Australian Sustainability Reporting Standards were approved by the AASB at its meeting held on [20 September 2024](#):

- [AASB S1](#) *General Requirements for Disclosure of Sustainability-related Financial Information* (voluntary)
- [AASB S2](#) *Climate-related Disclosures* (mandatory for sustainability reports under the Corporations Act).

Although the Australian Sustainability Reporting Standards are applicable to annual reporting periods beginning on or after 1 January 2025, only entities in Group 1 are required to prepare sustainability reports from that date under the Corporations Act. Accordingly, entities in Group 2 and Group 3 will apply the standards for annual reporting periods beginning on or after 1 July 2026 and 1 July 2027 respectively (i.e. when the Corporations Act requires those entities to prepare a sustainability report).

The question then becomes whether disclosure about those Standards is required in financial statements prepared after their issue, either for the periods when they are not effective or are applied for the first time.

Australian Sustainability Reporting Standards are distinct from Australian Accounting Standards, although both series of Standards are made by the AASB. AASB 108 requires entities to disclose information about *Australian Accounting Standards* that have an effect on the current period or any prior period in the year of initial application and on issue but which are not effective.

Therefore, there is no requirement for entities to make disclosures about the impacts or likely impacts of AASB S1 and AASB S2 in their financial reports.

There is no prohibition on entities including additional information related to adoption of AASB S1 and/or AASB S2 in their financial statements. However, information about the adoption or future adoption of AASB S1 and/or AASB S2 may be more appropriately included in the directors' report accompanying the financial report (as the future sustainability report is, or will be, a separate report to the financial report).

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 January 2025.

The revised Standard effective for the current year that is relevant to the Group is:

Pronouncement	Impact
AASB 2023-5 <i>Amendments to Australian Accounting Standards – Lack of Exchangeability</i>	Specifies how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not. The Group has operations in <i>[A Land]</i> where the <i>[X currency]</i> is not exchangeable at the measurement date. The Group used <i>[describe e.g. the rate observed in an unregulated broker market]</i> as an estimated spot rate for translating the foreign operation to the Group's presentation currency as of the beginning of the reporting period and recognised the resulting effect of \$___ as an adjustment to the foreign exchange translation reserve accumulated in equity.

Source

2. Adoption 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 24 September 2025. The potential impact of the application of any new and revised Australian Accounting Standards issued by the AASB or IASB after 24 September 2025 but before the financial statements are issued should also be considered and disclosed.

Having completed an 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 Australian Accounting Standard that has been issued but is not yet effective, the entity discloses:

- 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 Australian Accounting Standard
- The nature of the impending change or changes in accounting policy
- The date by which application of the Australian Accounting Standard is required
- The date as at which it plans to apply the Australian Accounting Standard initially
- Either:
 - A discussion of the impact that initial application of the Australian 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. Adoption 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)

Standard/amendment	Effective for annual reporting periods beginning on or after	Nature of the change and expected impact
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) ⁸⁹	1 January 2028 ⁹⁰	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.

⁸⁹ 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*, AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* and AASB 2024-4b *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*.

⁹⁰ In September 2024 the IASB published an exposure draft IASB/ED/2024/7 *Equity Method of Accounting* to address broader questions about application of the equity method of accounting, including accounting of transactions between an investor and its associate or joint venture. The IASB is now proposing to require an investor to recognise in full gains and losses resulting from all “upstream” and “downstream” transactions with its associates or joint ventures, including transactions involving the loss of control of a subsidiary. As this proposal is different from the previous amendments to IFRS 10 and IAS 28 (and the equivalent AASB 2014-10), the IASB is proposing to abandon the amendments. The Exposure Draft was open for comments to IASB until 20 January 2025 and to AASB until 22 November 2024. Please watch out for the updates from the AASB in respect of application of the progress with the [Exposure Draft](#) and the amendments in AASB 2014-10.

Source

2. Adoption 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 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027 (for-profit entities) 1 January 2028 (not-for-profit entities and superannuation entities)	AASB 18 replaces AASB 101 <i>Presentation of Financial Statements</i> . It 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 defined 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.
AASB 2024-2 <i>Amendments to Australian Accounting Standards - Classification and measurement of financial instruments</i>	1 January 2026	Amends AASB 9 <i>Financial Instruments</i> to introduce an option to derecognise financial liabilities settled through electronic transfer before the settlement date, clarifies how contractual cash flows should be assessed for financial assets with environmental, social and governance (ESG) and similar features, includes additional guidance in respect of non-recourse features and contractually linked instruments and amends specific disclosure requirements. The Group is currently evaluating the expected impact of these amendments on the financial statements.
AASB 2025-1 <i>Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity</i>	1 January 2026	Amends AASB 9 <i>Financial Instruments</i> and AASB 7 <i>Financial Instruments: Disclosures</i> by introducing additional guidance for contracts referencing nature-dependent electricity (often structured as power purchase agreements), including contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. Amendments added application guidance to AASB 9 to clarify the “own-use” criteria for contracts to buy electricity generated from nature-dependent sources. In respect of hedges for forecast electricity transactions the amendments to AASB 9 permit a variable nominal amount of the forecast electricity transaction to be designated as the hedged item that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument. The Group is currently evaluating the expected impact of these amendments on the financial statements.

Source

2. Adoption 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 2027	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. 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) is not applicable to the Group and therefore not expected to impact the Group's consolidated financial statements.

Source

2. Adoption 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 have not been issued:

Standard/amendment	Effective for annual reporting periods beginning on or after	
	after	Impact
[Describe if any]	[Date]	[Describe]

Other pronouncements

The pronouncement below which is not effective for the current year has not been included in the illustrative disclosures above as it is not material to the Group:

- AASB 2024-3 *Amendments to Australian Accounting Standards – Annual Improvements Volume 11*.

In addition, the illustrative disclosures do not include the effect of the below pronouncements that were issued by the International Accounting Standards Board (IASB), but are not applicable to Tier 1 financial statements:

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* and *Amendments to IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’*
- IFRS for SMEs *Accounting Standard (Third edition)*.

Equivalent pronouncements have not been issued by the AASB at the date of this publication⁹¹.

⁹¹ IFRS 19 was developed in a process that ostensibly follows the approach adopted by the AASB in developing AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. However, disclosure differences exist between IFRS 19 and AASB 1060 (e.g. IFRS 19 requires more disclosures about financial instruments, impairment and pronouncements on issue which have not yet been applied). Furthermore, the scope of IFRS 19 is significantly narrower than AASB 1060 (as AASB 1060 applies to all entities without public accountability that are required to comply with Australian Accounting Standards). The AASB is considering whether, and if so, how, to introduce IFRS 19 in the Australian context. On [24 September 2025](#), the AASB issued [Invitation to Comment ITC 56](#) *Post-implementation Review of Tier 2 and the Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and Further Update of Tier 2* covering a post-implementation review of AASB 1060 and a review of AASB 1060 in light of changes to the *IFRS for SMEs Accounting Standard*, AASB 18 *Presentation and Disclosure in Financial Statements* and IFRS 19. The Invitation to Comment considers several options, including amendments to AASB 1060 to align with IFRS 19 or the *IFRS for SMEs Accounting Standard (Third edition)* AASB 1060 being replaced, or IFRS 19 issued alongside AASB 1060. The Invitation to Comment is open for comment until 22 January 2026.

Source

AASB 6:11

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 rehabilitation⁹²

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.

⁹² As part of its surveillance activities, ASIC has raised a number of matters on the need for, and adequacy of, provisions (see section A4.2). 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*⁹³. 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]*.

⁹³ 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

AASB 1058:26

AASB 1058:26

AASB 1058:26

5. Revenue (not-for-profit entities)**31/12/2025****31/12/2024****\$'000****\$'000**

Government grant

Donations and bequests

Capital grants

Total**Capital grants**

The entity has recognised the following liabilities arising from capital grants received to construct an asset to be controlled by the entity:

31/12/2025**31/12/2024****\$'000****\$'000**

AASB 1058:31

Included in contract liabilities from contracts with customers are capital grants received as follows:

Balance as at 1 January

Additional grants received during the year

Revenue recognised in profit or loss

Refunds during the year

Balance as at 31 December

AASB 1058:32

As the capital grants received by the Group are primarily for the construction of buildings, the Group recognises income as the buildings are constructed (as it satisfies its obligation).

14. Dividends

AASB 101:137

AASB 1054:14

The information below is considered best practice for the disclosure of imputation credits (franking credits). AASB 1054 specifically requires only 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.

		Company	
		31/12/2025	31/12/2024
		\$'000	\$'000
	Franking account balance at 31 December		
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	Adjusted franking account balance		
AASB 112:81(i)	Imputation debits that will arise from the payments of dividends declared by not recognised in the financial statements		
	Adjusted franking account balance after payment of unrecognised dividend amounts		

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 \$ ____ (2024: \$ ____). 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



ASIC regulatory simplification

On 3 September 2025, ASIC released a [report](#) on regulatory simplification, which outlines ASIC's progress on simplification in the way ASIC administers the law in areas where it regulates and seeking input on further initiatives (see section C2.8). The report proposes consolidating and streamlining 21 identified Corporations Instruments related to financial reporting, accounting and auditing.

At the date of finalisation of this document (24 September 2025), the consolidated Corporations Instrument and updated guidance had not been issued. In the event the proposals are finalised in their [current form](#), the citations in the illustrative example below will need to refer to the new consolidated Corporations Instrument from the date it is effective.

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	
			31/12/2025	31/12/2024
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%
BJV Limited	Manufacture of electronic equipment	Australia	95%	95%

Int. 1052:16(a)

ASIC-CI 2016/785
s.6(v)(ii),(iii)

- (i) International GAAP Holdings Limited is the head entity within the tax-consolidated group.
- (ii) These companies are members of the tax-consolidated group.
- (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 December 2025.

Source

ASIC-CI 2016/785

20. Subsidiaries (continued)

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.

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	
	31/12/2025	31/12/2024
	\$'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		
Profit before tax		
Income tax expense		
Profit for the year from continuing operations		
Loss for the year from discontinued operations		
Profit for the year		

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)**

	31/12/2025 \$'000	31/12/2024 \$'000
Other comprehensive Income		
Items that will not be reclassified subsequently to profit or loss:		
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		
Items that may be reclassified subsequently to profit or loss:		
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)

	31/12/2025 \$'000	31/12/2024 \$'000
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		
Other comprehensive income for the year, net of income tax		
Total comprehensive Income for the year		

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

	31/12/2025 \$'000	31/12/2024 \$'000
Current assets		
Cash and cash equivalents		
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		
Total current assets		
Non-current assets		
Goodwill		
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		
Total non-current assets		
Total assets		

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)**

	31/12/2025 \$'000	31/12/2024 \$'000
Current liabilities		
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		
Total current liabilities		
Non-current liabilities		
Borrowings		
Convertible loan notes		
Retirement benefit obligations		
Deferred tax liabilities		
Provisions		
Deferred income – government grant		
Contract liabilities		
Lease liabilities		
Liability for share-based payments		
Total non-current liabilities		
Total liabilities		
Net assets		
Equity		
Share capital		
Reserves		
Retained earnings		
Total equity		
Movement in retained earnings		
Retained earnings as at beginning of the financial year		
Net profit		
Dividends provided for or paid		
Share buy-back		
Retained earnings as at end of the 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.

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 31/12/2025 \$'000	Year ended 31/12/2024 \$'000
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 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		
Operating cash flows before movements in working capital		
Movements in working capital:		
(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		
Cash generated from operations		
Interest paid		
Income taxes paid		
Net cash generated by operating activities		

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 International GAAP Holdings Limited 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.

		31/12/2025 \$	31/12/2024 \$
AASB 1054:10, 11	Deloitte and related network firms*		
AASB 1054:10(a)	Audit or review of financial reports:		
	- Group		
	- Subsidiaries and joint operations		
(APES 110: R5410.30)	Audit or review of sustainability reports:		
	Group		
	Subsidiaries and joint operations		
	Total audit or review of financial and sustainability reports		
	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 [#]		
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		
AASB 1054:10, 11	Other auditors and their related network firms		
AASB 1054:10(a)	Audit or review of financial reports:		
	- Subsidiaries and joint operations		
	- Other <i>[describe]</i>		
	Audit or review of sustainability reports:		
	- Group		
	- Subsidiaries and joint operations		
	Total audit or review of financial and sustainability reports		

Source

66. Remuneration of auditors (continued)

		31/12/2025 \$	31/12/2024 \$
AASB 1054:10, 11	Other auditors and their related network firms (continued)		
	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 [#]		
s.300(11B)(a)	Other <i>[describe]</i>		

[#] 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.

Suggested disclosure detail

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). 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).

In the meantime, we encourage entities to provide transparent and expanded disclosures in their financial reports at 31 December 2025. 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).

Disclosure of fees paid for assurance of sustainability report

APES 110:R5410.30
APES 110:R5410.31 [Amendments](#) to APES 110 *Code of Ethics for Professional Accounting (including Independence Standards)* applying to financial reporting periods beginning on or after 1 January 2026, require the public disclosure of fees paid or payable to a Firm or Network Firm for a sustainability assurance engagement of a Public Interest Entity. Where the Public Interest Entity does not make the information public (commonly in the financial report), the Firm is required to publicly disclose the fees.

In the interests of transparency, the illustrative disclosure in this note includes separate disclosure of the fees for the audit or review of the sustainability report.

Source

66. Remuneration of auditors (continued)

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 is 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 exceptions⁹⁴, a public interest entity (or the audit Firm) 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.

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.

⁹⁴ For more detail see APES 110 R410:32.

Source

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

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.

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.

Source

67. Parent entity information (continued)

Tax consolidation (continued)

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)

Financial position		31/12/2025	31/12/2024
		\$'000	\$'000
Assets			
Reg2M.3.01(a),(k)	Current assets		
	Non-current assets		
Reg2M.3.01(b),(k)	Total assets		
Liabilities			
Reg2M.3.01(c), (k)	Current liabilities		
	Non-current liabilities		
Reg2M.3.01(d),(k)	Total liabilities		
Equity			
Reg2M.3.01(e),(k)	Issued capital		
	Retained earnings		
	Reserves:		
	- General reserve		
	- Asset revaluation		
	- Investments revaluation		
	- Equity-settled employee benefits		
	- Option premium on convertible notes		
	- Other <i>[describe]</i>		
	Total equity		
Financial performance			
		Year ended	
		31/12/2025	31/12/2024
		\$'000	\$'000
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)	Guarantees entered into by the parent entity in relation to the debts of its subsidiaries		
		31/12/2025	31/12/2024
		\$'000	\$'000
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	31/12/2025	31/12/2024
		\$'000	\$'000
	<i>[describe]</i>	-	-
Reg2M.3.01(j), (k)	Commitments for the acquisition of property, plant and equipment by the parent entity	31/12/2025	31/12/2024
		\$'000	\$'000
	Plant and equipment		
	Not longer than 1 year		
	Longer than 1 year and not longer than 5 years		
	Longer than 5 years		

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 31 December 2025

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 (i)	Australian tax resident	Foreign jurisdiction
International GAAP Holdings Limited	Body corporate	Australia	N/A	Yes (v)	N/A
Subone Limited (ii)	Body corporate	Australia	90%	Yes	N/A
Subtwo Limited (ii)	Body corporate	Australia	85%	Yes	N/A
Subthree Limited	Body corporate	Australia	100%	Yes (v)	N/A
Subfour Limited	Body corporate	B Land	70%	No	Jurisdiction B
Subfive Limited	Body corporate	C Land	100%	No	N/A (vi)
Subsix Limited (iii)	Body corporate	Australia	80%	Yes	N/A
Subseven Limited	Body corporate	Australia	100%	Yes (v)	N/A
C Plus Limited (iv)	Body corporate	Australia	90%	Yes	N/A
Subsidiary A Limited	Body corporate	Australia	45%	Yes	N/A
Subsidiary B Limited (iv)	Body corporate	B Land	45%	No	Jurisdiction B
Partnership A	Partnership	N/A	N/A	No	Jurisdiction B & C
AGAAP Trust	Trust (vii)	N/A	N/A	Yes	N/A
B JV Limited	Body corporate	Australia	95%	Yes	N/A

Source: s.295(3A)(a)(i), (ii), (iv), (v),(vi), (vii)

Source

- (i) Represents the economic interest in the entity as consolidated in the consolidated financial statements
- s.295(3A)(a)(iii) (ii) Participant in B JV Limited⁹⁵ which is consolidated in the consolidated financial statements
- s.295(3A)(a)(iii) (iii) Trustee of AGAAP Trust⁹⁵ which is consolidated in the consolidated financial statements
- s.295(3A)(a)(iii) (iv) These entities are partners in Partnership A⁹⁵ which is consolidated in the consolidated financial statements
- Not mandatory (v) This entity is part of a tax-consolidated group under Australian taxation law, for which International GAAP Holdings Limited is the head entity
- (vi) Subfive Limited is incorporated in Jurisdiction C. Under the law of Jurisdiction C there is no relevant law relating to foreign income tax⁹⁶
- (vii) AGAAP Trust was formed as a Trust under Australian law. However, the trust is classified as a public trading trust under Australian tax law and is taxed as a company.

⁹⁵ The name of the entity is not required.

⁹⁶ The [explanatory memorandum](#) accompanying [Treasury Laws Amendment \(Fairer for Families and Farmers and Other Measures\) Act 2024](#) explains the following: "In some circumstances, the concept of tax residency may not apply to a reporting entity's subsidiary – for example, where the subsidiary is not an Australian resident and there is no corporate tax system in the foreign jurisdiction in which the subsidiary is established and operates. An example is where the subsidiary is not an Australian resident, and is established and operated in the Cayman Islands. In these circumstances, the reporting entity should state that the subsidiary is not an Australian resident under subsection 295(3B) of the Corporations Act, and also not list the relevant foreign jurisdiction for the purposes of subparagraphs 295(3A)(a)(vi) and (vii) of the Corporations Act."

Source

Basis of preparation

The consolidated entity disclosure statement has been prepared in accordance with subsection 295(3A)(a) of the *Corporations Act 2001*. The entities listed in the statement are International GAAP Holdings Limited and all the entities it controls in accordance with AASB 10 *Consolidated Financial Statements*.

The percentage of share capital disclosed for bodies corporate included in the statement represents the *[economic interest consolidated in the consolidated financial statements / voting interest controlled by International GAAP Holdings Limited either directly or indirectly]*⁹⁷.

s.295(3B)

An entity is reported in the consolidated entity disclosure statement as being tax resident in Australia if it is:

- An Australian resident within the meaning of the *Income Tax Assessment Act 1997*
- A partnership at least one member of which is an Australian resident (within the meaning of the *Income Tax Assessment Act 1997*)
- A resident trust estate (within the meaning of Division 6 of Part III of the *Income Tax Assessment Act 1936*) in relation to the year of income (within the meaning of that Act).

[In relation to the tax residency information included in the statement, judgement may be required in the determination of the residency of the entities listed.] In developing the disclosures in the statement, the directors determined tax residency considering the following sources of information: *[describe source of information used to support the determination of tax residency e.g. current legislation, guidance in Taxation Ruling TR 2018/5]*.

Changes to the consolidated entity disclosure statement

On 10 December 2024, [amendments](#) to the Corporations Act received Royal Assent and became law. Included in these amendments are changes to the consolidated entity disclosure statement requirements in the Corporations Act to address interpretational and drafting matters.

In particular, the amendments clarify the tax residency disclosures to be included in the CEDS, as follows:

- That an entity that is an Australian tax resident under Australian tax law and foreign resident under the law of one or more foreign jurisdictions should include details of both the Australian and all foreign jurisdictions in the statement
- A partnership included in the statement should be listed as having Australian tax residency if at least one member of the partnership is an Australian resident (e.g. if a company in the group is an Australian tax resident and is a partner in the partnership). Corporate limited partnerships should be reported in accordance with existing tax residency requirements rather than this new legislative requirement
- A trust included in the statement is considered an Australian resident where the trust is a “resident trust estate” for the purposes of Australian tax law
- Entities included in the statement that are not an Australian tax resident and which are established and operate in a foreign jurisdiction lacking a corporate tax system (e.g. the Cayman Islands) should not list the foreign jurisdiction in the statement.

There is no clarification provided in relation to immaterial and dormant subsidiaries. [Existing ASIC guidance](#) explains that a public company must disclose all entities in the consolidated entity at year end, and that entities cannot be excluded on the basis of materiality.

The amendments are effective for financial years commencing on or after 1 July 2024. This means the new requirements should be applied for the first time by entities with December year ends for financial years ending on 31 December 2025.

The example consolidated entity disclosure statement included on the previous pages illustrates the impact of these amendments.

⁹⁷ Where the relevant interests have been footnoted in the statement itself, this statement need not be repeated in the basis of preparation.

ASIC INFO 284

ASIC guidance on the consolidated entity disclosure statement

ASIC [Information Sheet 284](#) *Public companies to include a consolidated entity disclosure statement in their annual financial report* provides guidance for preparers of financial reports to ensure the consolidated entity disclosure statement complies with the requirements of the Corporations Act and is consistent with the policy intent of the legislation.

The Information Sheet provides the following guidance:

- The consolidated entity disclosure statement is a separate statement and does not form part of the notes to the financial statements, and so cannot be combined with the note on controlled entities required by Australian Accounting Standards
- Tax residence is a principle that is determined under the domestic tax rules of a country, and is relevant when considering how business income is taxed
- Treasury's media release confirms that entities that determine tax residency in good faith and in accordance with the Commissioner of Taxations' [public guidance](#), may declare that the tax residence status of a subsidiary is true and correct for the purposes of the statement
- The directors' declaration must state whether, in the directors' opinion, the consolidated entity disclosure statement is "true and correct". "True and correct" is a higher reporting requirement than under a true and fair or fair presentation framework for directors and executives
- The consolidated entity disclosure statement is not part of a true and fair or fair presentation framework and the materiality provisions of Australian Accounting Standards do not apply. All controlled entities must be included in the statement and entities cannot be excluded because of materiality (and so would include, e.g. newly acquired "shelf" companies, dormant companies and other entities excluded from the company's consolidation process on the basis of materiality)
- Section 307 of the Corporations Act implies that the auditor will obtain reasonable assurance that the consolidated entity disclosure statement and the opinion of the directors in the directors' declaration that the statement is true and correct are not misstated.

AUASB guidance on the consolidated entity disclosure statement

[AUASB Bulletin](#) *Audit Implications of the Consolidated Entity Disclosure Statement* provides information about the reporting requirements and audit requirements related to the consolidated entity disclosure statement. The Bulletin includes example audit procedures and auditor's report.

Of relevance to preparers of consolidated entity disclosure statements, the Bulletin:

- Confirms the view (as expressed in the ASIC Information Sheet noted above) that "true and correct" is a higher reporting requirement than would be case under a true and fair view or fair presentation framework
- Explains that the auditor should assess the consolidated entity disclosure statement on the basis of qualitative materiality given the statement is a tax transparency measure
- Provides examples of disclosures in the consolidated entity disclosure statement that would be quantitatively material, including:
 - Newly acquired "shelf" companies and dormant companies
 - Tax residency disclosures.

s.295(3A)(b)

Preparing 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 is example wording where s.295(3A)(b) applies:

Consolidated entity disclosure statement as at 31 December 2025

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 under 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 A4.3 *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 12 March 2026

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

Security holder distribution schedules under Listing Rule 4.10.7 should state both the number of holders and the percentage of securities held in each category.

In its [Listed@ASX Compliance Update no. 01/25](#) issued in February 2025 the ASX reported that it was undertaking surveillance on these disclosures and reminded that listed entities should disclose the percentage of securities held in each category.

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		

s.9

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.

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.

Source
ASX-LR 4.10.4
s.9

Substantial shareholders (continued)

- 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.

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				
Overto 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				

Source
ASX-LR 4.10.9

Twenty largest holders of quoted equity securities (continued)

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		

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.

Source

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 discloses 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 discloses 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.

ASX-LR 4.10.13

Securities exchange listings

Where the entity is listed on a securities exchange other than the Australian Securities Exchange, the name of that exchange must be disclosed.

Source

ASX-LR 4.10.20

Other ASX information (continued)

For listed investment entities

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 mining companies (continued)

In its [Listed@ASX Compliance Update no. 01/25](#) issued in February 2025 ASX announced two focus areas for entities making public announcements about exploration results:

- The headers of announcements in relation to exploration results should convey a fair and balanced impression of the suite of exploration results, so entities should avoid mentioning only the best/highest grade assay results in the header of an announcement in circumstances where that result is either not representative of the suite of assays or is an anomalous result inconsistent with the suite of assays
- When an entity reports metal equivalents as a way to report polymetallic exploration results expressed in a single equivalent grade of one major metal, this information may be misleading unless additional details, such as assumed metallurgical recoveries for all metals included in the metal equivalent calculation, are also provided. Clause 50 of the JORC Code lists the minimum information that must accompany a public report that includes metal equivalents.

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.

Source

Other ASX information (continued)

For listed oil and gas companies (continued)

Annual reporting (continued)

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.

ASX-LR 5.40

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.

For recently listed entities

ASX-LR 4.10.19

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 remove 7 recommendations where there is significant regulation or duplication in Australian law, to add 4 recommendations for entities established outside of Australia and add or amend 10 general recommendations with the purpose of strengthening listed entities' governance and increasing transparency for investors.

After an extensive consultation process, the ASX Corporate Governance Council decided to discontinue the project. On 20 February 2025 the ASX Corporate Governance Council [confirmed](#) that the current Fourth Edition of the Corporate Governance Principles and Recommendations will remain in effect without change.

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	Australian Securities Exchange Listing Rule 4.10.3 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. The corporate governance statement must also: - Specify the date at which it is current (must be entity's balance sheet date or a later date specified by the entity) - State that it has been approved by the board of the entity or the board of the responsibility entity of a trust.
ASX-GN 9	Recommendations To assist companies in complying with the guidelines, the ASX has issued Guidance Note 9 "Disclosure of Corporate Governance Practices", 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). 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.
Corporate Governance Principles and Recommendations (Fourth Edition)	Principle 1 – Lay solid foundations for management and oversight - A listed entity should have and disclose a board charter setting out: - The respective roles and responsibilities of its board and management - Those matters expressly reserved to the board and those delegated to management. - A listed entity should: - Undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director - 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. - A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. - 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. - A listed entity should: - Have and disclose a diversity policy - 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 - Disclose in relation to each reporting period:

Source	Requirement
	1. The measurable objectives set for that period to achieve gender diversity 2. The entity's progress towards achieving those objectives 3. Either: 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

Source	Requirement
	- 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 - 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



Proposed changes to the Voluntary Tax Transparency Code

In June 2025, the Board of Taxation [released](#) a proposed update to the Voluntary Tax Transparency Code.

The draft updated code would:

- Introduce separate requirements based on whether or not a business is a “Public CBC reporter”, minimising duplication with public country-by-country reporting requirements under the *Tax Administration Act 1953*
- Include a new requirement to provide a reconciliation to the ATO Corporate Tax Transparency Disclosures
- Include example templates for voluntary tax transparency code reporting for “Public CBC reporters” and “Non-public CBC reporters”
- Include optional elements throughout the code
- Include a self-assessment reporting checklist.

Consultation on the proposed revised code closed on 11 July 2025. At the date of finalisation of this publication (24 September 2025) a finalised code has not been released, and the Board of Taxation have indicated finalisation in the second quarter of 2025.

The information in this section has not been updated for these developments.

Basis of preparation

This tax transparency report of GAAP Holdings Limited has been prepared considering the requirements of the Voluntary Tax Transparency Tax Code (V 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 31 December 2025 and the comparative period 31 December 2024. All amounts in this report are presented in Australian Dollars (\$).

Source

Tax transparency code
– Part B

Tax policy, tax strategy and governance summary

As a minimum requirement for large businesses⁹⁸ 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 businesses⁹⁸ 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]

Tax transparency code
– Part A

Reconciliation of accounting profit to income tax expense and from income tax expense to income tax paid or income tax payable

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 VTTC builds on the disclosure requirements of AASB 112. Accordingly, entities may want to make the reconciliation disclosure required by the VTTC in financial statements to minimise duplication.

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]

⁹⁸ 'Large businesses' are defined in the Tax Transparency code as businesses with aggregated Voluntary Tax Transparency Code (VTTC) Australian turnover of AUD 500 million or more. 'Medium businesses' are defined as businesses with aggregated VTTC 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)

Below is a reconciliation of International GAAP Holdings Limited's accounting profit to current income tax expense.

	31/12/2025 \$'000	31/12/2024 \$'000
Profit before tax		
Income tax calculated at 30% (2024: 30%)		
Non-temporary differences – tax effected at 30%		
Non-deductible expenses		
Non-assessable income		
Unfranked dividends		
Impairment of tax depreciable intangible asset		
[Other - describe]		
Current tax expense – current year		
Under/(over) provision of current tax		
Current tax expense		
Temporary differences – tax effected at 30%		
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]		
Deferred tax expense		
Income tax expense recognised		
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.

	31/12/2025 \$'000	31/12/2024 \$'000
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		
Income taxes payable at the end of the reporting period		
Less current year over provision of current tax		
Add income tax paid during the year		
Income taxes paid during the reporting period		

Source

Tax transparency code
– Part A

Australian accounting effective tax rate (ETR) and a global ETR

As a minimum requirement, large and medium business should 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).

Draft Appendix to the
Tax Transparency Code
paragraph 32

Accounting profit

“Accounting profit” is not defined in the VTTC, 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 VTTC, the Board of Tax has indicated to the AASB that for the purposes of the VTTC, the use of the term “accounting profit” was not intended to restrict the denominator in calculating VTTC 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.

Draft Appendix to the
Tax Transparency Code
paragraph 36

Australian and global operations

The VTTC 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 VTTC ETR and accounting ETR.

Draft Appendix to the
Tax Transparency Code
paragraph 37

An entity’s Australian operations for the purposes of the Australian VTTC ETR calculation should encompass:

- Companies, partnerships or trusts established under Australian law (regardless of where they operate)
- Australian permanent establishments as per Australian tax law, if not otherwise captured.

AASB 112.86

VTTC ETR versus accounting ETR

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 VTTC ETR may differ to the accounting ETR as a result of the following differences:

- Numerator – tax expense: For VTTC 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 VTTC 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 VTTC and accounting ETRs differ, to avoid misleading users of either the financial statements or a separate taxes paid report, the VTTC ETRs are considered non-IFRS numbers. Accordingly, both the accounting and VTTC ETRs should be presented together, regardless of where the VTTC ETRs are located.

Source

Australian accounting effective tax rate (ETR) and a global ETR (continued)

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 VTTC ETR for Australian and global operations are the same.

	31/12/2025	31/12/2024
	\$'000	\$'000
Income tax expense		
Accounting profit before tax		
Accounting and VTTC effective rate	___ %	___ %

Deferred tax

	31/12/2024	Movement	31/12/2025
	\$'000	\$'000	\$'000
Deferred tax assets			
Provisions and accruals			
Tax losses			
Retirement benefit obligations			
Lease liabilities			
Share-based payments			
<i>[Other – describe]</i>			
Deferred tax liabilities			
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>			
Net deferred tax asset / (liability)			

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 VTTC 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 the following Australian federal and state taxes:

	31/12/2025			31/12/2024		
	Federal	State	Total	Federal	State	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Corporate income tax						
Fringe benefits tax (FBT)						
Withholding taxes on dividends, interest, invoices without ABN						
Property taxes						
Payroll tax						
Petroleum resource rent tax						
[Other - describe]						
Total						

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 VTTC.

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:

	31/12/2025	31/12/2024
	\$'000	\$'000
New goods and services tax (GST)		
Pay as you go (PAYG) withholding		
[Other - describe]		
Total		

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

Country	Nature of transactions	31/12/2025 \$'000	31/12/2024 \$'000
[Describe]	[Describe]		
[Describe]	[Describe]		
[Describe]	[Describe]		



Appendix 5 – Details of reporting pronouncements

5.1 Financial reporting pronouncements applicable to all entities

The table below outlines new and revised Standards (effective and not yet effective at 31 December 2025) which apply to all entities and indicates the effective date and whether it is applicable for reporting periods (full and half-year) ending 31 December 2025. 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 31 December 2025
AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability 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.	Annual reporting periods beginning on or after 1 January 2025	Mandatory (full years and half-years)
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. 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. More information: see A3.2 for more detailed discussion and IGAAP in Focus <i>IASB amends IAS 21 to clarify when a currency is exchangeable and how to determine the exchange rate when it is not</i>.		
AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments Amends AASB 9 <i>Financial Instruments</i> and AASB 7 <i>Financial Instruments: Disclosures</i> by introducing the following changes:	Annual reporting periods beginning on or after 1 January 2026	Optional
- Allowing derecognition of financial liabilities settled using an electronic payment system before the settlement date provided certain criteria are met. The amendments do not extend this exception to derecognition of financial assets settled via an electronic transfer, as it was clarified that financial assets are derecognised only when contractual rights to the cash flows from the financial assets expire, which is when cash is received - Clarifying how contractual cash flows characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed for the purpose of classification of the financial assets - Amending disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and adding disclosure requirements for financial instruments with contractual terms that could change the timing or amount of contractual cash flows on contingent events. The amendments should be applied retrospectively from the beginning of the annual reporting period in which an entity first applies the amendments. An entity is not required to restate prior periods, however it may restate prior periods, if it is possible to do it without the use of hindsight. More information: IGAAP in Focus: <i>Financial Reporting: IASB issues amendments to the classification and measurement requirements of financial instruments</i>.		

New or revised requirement	When effective	Applicability at 31 December 2025
AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11 Amends: • AASB 1 <i>First-time Adoption of Australian Accounting Standards</i>: hedge accounting by a first-time adopter • AASB 7 <i>Financial Instruments: Disclosures</i>: gain or loss on derecognition, disclosure of deferred difference between fair value and transaction price, and credit risk disclosures • AASB 9 <i>Financial Instruments</i>: derecognition of lease liabilities and transaction price • AASB 10 <i>Consolidated Financial Statements</i>: determination of a “de facto agent” • AASB 107 <i>Statement of Cash Flows</i>: cost method. These annual improvements are sufficiently minor or narrow in scope and are limited to changes that either clarify the wording in an AASB Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements of the standards. For more information see iGAAP in Focus <i>Financial reporting: IASB issues amendments to IFRS Accounting Standards as part of its annual improvements process</i>	Annual reporting periods beginning on or after 1 January 2026	Optional
AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity Amends AASB 9 <i>Financial Instruments</i> and AASB 7 <i>Financial Instruments: Disclosures</i> by introducing additional guidance for contracts referencing nature-dependent electricity (often structured as power purchase agreements) which are characterised by contractual features exposing an entity to variability in the underlying amount of electricity caused by uncontrollable natural conditions (for example, the weather) which affect generation of electricity from renewable sources, such as sun and wind. Scoped-in contracts include both contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. Amendments added application guidance to AASB 9 to clarify “own-use” criteria for contracts to buy electricity generated from nature-dependent sources. When an entity is required to buy electricity during a delivery interval in which it cannot use it and has no practical ability to avoid selling unused electricity to the market, “own-use” criteria would be met if the entity has been, and expects to be, a net purchaser of electricity for the contract period. An entity is a net purchaser of electricity if it buys sufficient electricity to offset the sales of any unused electricity in the same market in which it sold the electricity. In respect of for hedges of forecast electricity transactions the amendments to AASB 9 permit to designate a variable nominal amount of forecast electricity transaction as the hedged item that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument. The other hedge accounting requirements in AASB 9 continue to apply to such a hedging relationship. Amendments to AASB 7 introduced additional disclosure requirements in respect of contracts to buy nature-related electricity that meet the “own-use” requirements. For more information see iGAAP in Focus <i>Financial reporting: IASB finalises amendments on contracts that reference nature-dependent electricity</i>	Annual reporting periods beginning on or after 1 January 2026	Optional

New or revised requirement	When effective	Applicability at 31 December 2025
AASB 18 <i>Presentation and Disclosure in Financial Statements</i> Replaces AASB 101 <i>Presentation of Financial Statements</i>, introducing enhanced requirements for the presentation of financial statements, including: - 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”) - Disclosures about management-defined performance measures (MPMs), limited to subtotals of income and expenses and requiring: - A reconciliation of the MPM to an IFRS-defined subtotal - An explanation of why the MPM is reported - An explanation of how the MPM is calculated - An explanation of any changes to the MPM - 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”. For for-profit entities (other than superannuation entities applying AASB 1056 <i>Superannuation Entities</i>) preparing Tier 1 general purpose financial statements, AASB 18 applies to annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. For not-for-profit private sector entities, not-for-profit public sector entities and superannuation entities applying AASB 1056, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028. Earlier application is also permitted for these entities. This delayed date is to allow the AASB to consult with stakeholders to assess whether AASB 18 should be amended for application by these entities. More information: iGAAP in Focus <i>Financial reporting: IASB publishes new standard on presentation and disclosure in financial statements</i>	Annual reporting periods beginning on or after 1 January 2027 (<i>for-profit entities</i>) Annual reporting periods beginning on or after 1 January 2028 (<i>not-for-profit entities and superannuation entities</i>)	Optional

New or revised requirement	When effective	Applicability at 31 December 2025
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (as amended⁹⁹) The amendments to AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> (amendments) 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. <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"). In addition, AASB 2024-4b extended the application date of the amendments from 1 January 2025 to 1 January 2028.</i> <i>In September 2024 the IASB published an exposure draft IASB/ED/2024/7 Equity Method of Accounting to address broader questions about application of the equity method of accounting, including an inconsistency between requirements of IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in respect of accounting of transactions between an investor and its associate or joint venture. The IASB is proposing to resolve this inconsistency by requiring that an investor recognise in full gains and losses resulting from all "upstream" and "downstream" transactions with its associates or joint ventures, including transactions involving the loss of control of a subsidiary. As this proposal is different from the previous amendments to IFRS 10 and IAS 28, the IASB is proposing to abandon the amendments. The Exposure Draft comment period was closed for IASB on 20 January 2025 and for AASB on 22 November 2024. The IASB will decide the project's direction in the fourth quarter of 2025. Readers should ensure that any amendments made after 24 September 2025 are considered.</i> More information: • IFRS in Focus 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 • iGAAP in Focus Financial reporting: IASB proposes amendments to IAS 28 to answer application questions on how an investor applies the equity method	Annual reporting periods beginning on or after 1 January 2028 (see note in previous column)	Mandatory (editorial corrections) Optional (main amendments)

⁹⁹ 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 and AASB 2024-4b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128.

5.2 Financial reporting pronouncements applicable to Tier 2 entities only

The table below outlines new and revised Standards (effective and not yet effective at 31 December 2025) which apply to all entities and indicates the effective date and whether it is applicable for reporting periods (full and half-year) ending 31 December 2025 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 31 December 2025
AASB 2025-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures 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 information about financial instruments with contingent features that do not relate directly to basic lending risks and costs so that financial statement users can better understand the effect of contractual terms that could change the amount of contractual cash flows. Tier 2 entities are required to disclose: • A qualitative description of the nature of the contingent event • Quantitative information about the possible changes to contractual cash flows that could result from those contractual terms • The gross carrying amount of financial assets and the amortised cost of financial liabilities subject to those contractual terms.	Annual periods beginning on or after 1 January 2026	Optional
AASB 2025-3 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures Amends AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i> to add new disclosure requirements for Tier 2 entities that recognise nature-dependent electricity contracts meeting the “own-use” criteria as procurement contracts. Amendments require Tier 2 entities to disclose the following information: • Information about contractual features that expose the entity to variability in the underlying amount of electricity and the risk that the entity would be required to purchase electricity at a time when the entity cannot use the electricity • Qualitative information about how the entity assesses whether a contract might become onerous • Qualitative information about the effects on the entity’s financial performance for the reporting period.	Annual periods beginning on or after 1 January 2026	Optional

5.3 Financial reporting 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 31 December 2025
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 AASB 2022-8 made 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. 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. 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.	Annual reporting periods beginning on or after 1 July 2026	Optional

5.4 Australian sustainability reporting pronouncements

The table below outlines the sustainability disclosure standards made by the AASB based on equivalent ISSB standards. For more information see section B.

New or revised requirement	Effective date
AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information Sets out overall principles for sustainability reporting: - 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) - Provides guidance on how to develop disclosures for a topic to which no IFRS Sustainability Disclosure Standard applies. More information: Section B2 Australian sustainability reporting requirements Clarity publication A new era in sustainability reporting.	Voluntary Annual reporting periods beginning on or after 1 January 2025
AASB S2 Climate-related Disclosures 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. Applies to: - Climate-related risks to which the entity is exposed, which are climate-related physical risks and climate-related transition risks - Climate-related opportunities available to the entity. More information: Section B2 Australian sustainability reporting requirements Section E Sustainability report Clarity publication A new era in sustainability reporting	Mandatory starting from annual reporting periods beginning on or after 1 January 2025

Appendix 6 – Abbreviations

The following abbreviations are used in this publication:

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
ASRS	Australian Sustainability Reporting Standards issued by the Australian Accounting Standards Board
ASX	Australian Securities Exchange
ASX-LR	Australian Securities Exchange Limited Listing Rule
ASX-GN	Australian Securities Exchange Limited Guidance Note
ATO	Australian Tax Office
CCIV	Corporate Collective Investment Vehicle
Corporations Act	<i>Corporations Act 2001</i>
Disclosing information about anticipated financial effects educational material	IFRS Foundation publication <i>Disclosing information about anticipated financial effects applying ISSB Standards</i> (August 2025)
Disclosing information about an entity's climate-related transition	IFRS Foundation publication <i>Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2</i> (June 2025)
ED	Exposure Draft issued by the Australian Accounting Standards Board, the International Accounting Standards Board or the International Sustainability Standards Board
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GHG	Greenhouse gas
GPFS	General purpose financial statements
Greenhouse Gas Emissions educational material	IFRS Foundation publication <i>Greenhouse Gas Emissions Disclosure requirements applying IFRS S2 Climate-related Disclosures – Educational material</i> (May 2025) and equivalent AASB publication <i>Greenhouse Gas Emissions Disclosure requirements applying AASB S2 'Climate-related Disclosures – Education Material</i> (August 2025)

Abbreviation	Description
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>



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