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Tier 2 model financial report

Financial reporting periods ending on or after 30 June 2025

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The information in this publication is current as of 29 April 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 annually for June reporting periods. The latest edition can be found at www.deloitte.com/au/models.

Introduction

Refine financial reporting disclosures and integrate climate reporting into systems and processes.

Legislative and standard-setting arrangements for mandatory climate reporting commence for 'Group 1' entities for annual reporting periods beginning on or after 1 January 2025, with 'Group 2' and 'Group 3' entities following in subsequent years.

We recommend that entities reform their overall reporting processes in the context of the forthcoming sustainability disclosure requirements. Connectivity between the sustainability report and financial report is an essential aspect of the new requirements and planning and building systems with this focus in mind will streamline implementation. However, the implementation effort should not be underestimated.

Fortunately, in the current period, the changes for Tier 2 financial statements are not extensive. Key changes include:

- Revised requirements for the classification of liabilities as current or non-current, and new disclosures about non-current liabilities with covenants
- New disclosures about supplier finance arrangements
- Clarified accounting requirements for measuring lease liabilities in certain sale and leaseback transactions
- For entities subject to Pillar Two top-up income taxes, separate disclosure of material current Pillar Two taxes
- For public companies, some minor changes to the consolidated entity disclosure statement, together with more guidance about determining the tax residency of consolidated entities.

We've updated this publication for these developments.

April 2025

"Entities should bed down their corporate reporting processes and prepare for mandatory climate reporting"

Alison White
National Leader
Accounting & Corporate Reporting

Key considerations for 30 June 2025 Tier 2 reports

This section provides a high-level overview of the key reporting considerations in Tier 2 financial statements for annual reporting periods ending on 30 June 2025

In this section

Key corporate reporting considerations for 30 June 2025

Climate reporting

Mandatory climate 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 understand the requirements and be ready for implementation.

Transparent reporting in the current economic and geopolitical environment

Current economic conditions and global trade challenges require a wide-ranging response in financial reporting in areas such as impairment, 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 the businesses and operations may affect financial reporting in various ways.

ASIC surveillance activities and focus areas

ASIC has implemented a data-led risk-based approach to its surveillance of financial reporting and audit, which integrates financial reporting and audit surveillance. ASIC has previously modified its approach to its focus areas by publishing "enduring focus areas for financial report reviews" and supplementing those with "particular" focus areas for the relevant period where new regulatory requirements or emerging issues arise.

Amended standards and requirements

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

- A requirement for a seller-lessee to measure lease liabilities arising from a **sale and leaseback** transaction in a way that does not result in recognition of a gain or loss that relates to the right-of-use it retains
- Entities to provide qualitative and quantitative information about **supplier finance arrangements**
- Clarification as to when liabilities should be presented as **current or non-current** including the **impact of covenants** on that classification, together with new disclosures
- Amendments to the consolidated entity disclosure statement requirements clarifying **tax residency disclosures**.

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 group.

Preparers should consider their own specific circumstances when preparing their financial reports and ensure they fully consider all the requirements discussed in section B of the 30 June 2025 *Tier 1 models and reporting considerations* publication. Entities may find the information in the Deloitte *Australian financial reporting guide* useful which provides a roadmap to financial reporting requirements and the differential reporting framework in Australia. These publications are available at www.deloitte.com/au/models.

ASIC focus areas

At the time of finalising this publication (29 April 2025) ASIC had not released its particular focus areas for 30 June 2025. These focus areas are expected to be announced on the ASIC website in the near future which will be in addition the enduring focus areas **asset values, provisions, subsequent events and disclosures** which apply to all reporting periods.

For more information about ASIC's regulatory expectations and focus areas, see our Clarity publication *Navigating ASIC's regulatory expectations*.

Summary of mandatory new and amended pronouncements

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

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 for Tier 2 full-financial years ending 30 June 2025.

Overall considerations

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 recognition, measurement and other requirements.
Impact of transitional provisions	AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* 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 Australian Accounting Standard (including Interpretations as a result of AASB 1048 *Interpretation of Standards*) and it has an effect on the current period or any prior period, AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (subject to any specific transitional provisions of the Australian Accounting Standard) requires the disclosure of a number of matters, e.g. the nature of the change in accounting policy and the amount of the adjustment for each financial statement line item affected.

Pronouncements not yet effective

AASB 1060 does not require disclosure of new accounting standards and interpretations that are not yet effective.

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).

Summary of mandatory new and amended pronouncements

The table below summarises the amended reporting requirements that must be applied for the first time for Tier 2-financial years ending 30 June 2025. This section does not provide a summary of pronouncements that apply in future reporting periods (i.e. to financial years ending *after* 30 June 2025).

More information

See our *Tier 1 models and reporting considerations* publication for the year ended 30 June 2025 for a summary of each pronouncement, available at www.deloitte.com/au/models and see *Note 2. Changes in accounting policies and changes in estimates* of this publication for illustrative disclosures of the pronouncement applying in Tier 2 annual financial statements.

Pronouncement[1]	Changes
Applicable to all Tier 2 annual financial statements	
AASB 16	Lease liability in a sale and leaseback (AASB 2022-5)
AASB 1060	Disclosure of non-current liabilities with covenants (AASB 2023-3)
AASB 1060	Supplier finance arrangements: Tier 2 disclosures (AASB 2024-1)
Applicable only to not-for-profit and public sector financial statements	
AASB 13	Fair value measurement of non-financial assets of not-for-profit public sector entities (AASB 2022-10)
Applicable to Tier 2 half-year financial statements[2]	
AASB 1/AASB 121/ AASB 1060	Lack of exchangeability (AASB 2023-5) *(half-years only)*

[1] Where AASB 1060 is referenced in this column, the change relates to presentation and disclosure in the financial statements. Where other Australian Accounting Standards are included, the changes refer to recognition and measurement requirements.
[2] AASB 1060 does not apply to half-year or other interim financial reports. A Tier 2 entity presenting a half-year or other interim financial report should apply AASB 134 *Interim Financial Reporting* (AASB 1060:33). The Standards listed are for completeness purposes only.

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 2023 grouped by the standards to which they relate. Where a decision relates to more than one standard, it is listed under each standard. Links in the table are to the IASB website. The IASB has also released eleven volumes of its *Compilation of agenda decisions*, covering all agenda decisions from January 2019 to October 2024. 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*[3]	Disclosure of revenues and expenses for reportable segments	July 2024	Agenda decision
IFRS 9 *Financial Instruments*	Premiums receivable from an intermediary	October 2023	Agenda decision
	Guarantee over a derivative contract	October 2023	Agenda decision
	Homes and home loans provided to employees[4]	October 2023	Agenda decision
	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 16 *Leases*	Homes and home loans provided to employees[4]	October 2023	Agenda decision
	Definition of a lease — Substitution rights	April 2023	Agenda decision
IFRS 17 *Insurance Contracts*	Premiums receivable from an intermediary	October 2023	Agenda decision
	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 19 *Employee Benefits*	Homes and home loans provided to employees[4]	October 2023	Agenda decision
IAS 27 *Separate Financial Statements*	Merger between a parent and its subsidiary in separate financial statements	January 2024	Agenda decision

[3] AASB 1060 does not address presentation of segment information. An entity making segment disclosures would apply AASB 8 *Operating Segments* in preparing and presenting the information (AASB 1060:33).

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

Pronouncement	Agenda decision topic	Month finalised	More information
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

Reporting deadlines

Entities reporting under the Corporations Act

Public companies

Source	Requirement	Deadline	Date applicable for 30 June 2025 reporting periods	Date applicable for 31 December 2025 reporting periods
s.314 s.315(1)	Sending of annual financial report to members	Earlier of 21 days before next AGM or 4 months after the end of the end of the financial year	Earlier of 21 days before AGM or 31 October 2025	Earlier of 21 days before AGM or 30 April 2026
s.319(3)	Lodgement of the Corporations Act annual and concise report with ASIC	Within 4 months after the end of the financial year	31 October 2025	30 April 2026
s.250N	Hold the Annual General meeting (AGM)	Within 5 months after the end of the financial year (unless exempted)[5]	1 December 2025	1 June 2026[6]

Proprietary companies

Source	Requirement	Deadline	Date applicable for 30 June 2025 reporting periods	Date applicable for 31 December 2025 reporting periods
s.314 s.315(4)	Sending of annual financial report to members	Within 4 months after the end of the financial year	31 October 2025	30 April 2026
s.319(3)	Lodgement of the Corporations Act annual and concise report with ASIC	Within 4 months after the end of the financial year	31 October 2025	30 April 2026

[5] A wholly-owned public company (i.e. a public company with one member) is not required to hold an AGM under s.250N(4). Similarly, under s.250N(5) and s.250N(6), certain companies eligible for limited governance requirements under s.738ZI (i.e. certain entities raising funds under crowd-sourced funding arrangements), are not required to hold an AGM. This latter concession is only available to companies that register as, or convert to, a public company after the commencement of the crowd-sourced funding regime under the Corporations Act. For more information on entities involved in crowd-sourced funding, see our *Australian financial reporting guide*, available at www.deloitte.com/au/models.

[6] 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 5 months after the 31 December 2025 reporting period) is a Sunday. Accordingly, the deadline can be met on the next business day i.e. 1 June 2026.

Entities reporting to the ACNC

The following tables summarise the reporting deadlines for Tier 2 annual reports under the ACNC:

Large and medium charities[7]

Source	Requirement	Deadline	Date applicable for 30 June 2025 reporting periods	Date applicable for 31 December 2025 reporting periods
Annual financial reporting				
ACNC Governance Standard 2: Accountability to members[8]	Sending of financial report to members	Annual financial reports must be maintained and provided to members explaining the charity's financial position	n/a	n/a
ACNC Act 2012 s.60-10	Lodgement of the financial report with the ACNC[9]	Annual financial reports must be submitted as part of the Annual Information Statements within 6 months from reporting period end	31 December 2025	30 June 2026
Annual general meetings				
ACNC Governance Standard 2: Accountability to members[10]	Hold the Annual General Meeting (AGM)[11,12]	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	n/a

[7] 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).

[8] 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.

[9] 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).

[10] 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.

[11] 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.

[12] 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.

Small charities[13]

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

Source	Requirement	Deadline	Date applicable for 30 June 2025 reporting periods	Date applicable for 31 December 2025 reporting periods
Annual financial reporting				
ACNC Governance Standard 2: Accountability to members[14]	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)*	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	31 December 2025 *(Annual financial report - optional)*	30 June 2026 *(Annual financial report - optional)*
Annual general meetings				
ACNC Governance Standard 2: Accountability to members[15]	Hold the Annual General Meeting (AGM)[16,17]	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	n/a

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

[14] 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.

[15] 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.

[16] 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.

[17] 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.

Tier 2 Limited

ACN 123 456 789

Annual report for the financial year ended 30 June 2025

About the Tier 2 model financial report

This Tier 2 model financial report can be used as a guide in achieving best practice outcomes in Tier 2 full-year financial reporting.

Basis of preparation

This document contains an illustrative example of general purpose financial statements prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) on the basis the entity:

- Has subsidiaries, joint ventures and associates
- Is **not** applying Australian Accounting Standards – Simplified Disclosures for the first time (i.e. there are no transitional disclosures or guidance provided in relation to the application of Australian Accounting Standards – Simplified Disclosures. This model financial report does not deal with transition[18]).

This example includes the disclosures required by AASB 1060, either in illustrative or narrative form, in so far as those disclosures relate to **private sector for-profit entities[19]**. This version provides a comprehensive illustration of the disclosures required by AASB 1060 (subject to the limitations noted below).

For-profit entity disclosures

This model annual report has been designed by Deloitte Touche Tohmatsu to assist in the preparation of **general purpose financial statements** of a **for-profit public company[20]** in accordance with:

- Australian Accounting Standard AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (as amended)
- The recognition and measurement requirements of all Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB)
- Provisions of the *Corporations Act 2001*, insofar as they relate to the primary financial statements and notes to the financial statements
- Other requirements and guidelines, including Australian Securities and Investments Commission ('ASIC') Class Orders/Corporations Instruments, Regulatory Guides and Media Releases in so far as they relate to the primary financial statements and the notes to the financial statements.

The versions of the above pronouncements referred to in this publication are those on issue at 29 April 2025.

[18] See our *Model Tier 2 financial report Financial reporting periods ending on or after 30 June 2022* for an illustrative example of general purpose financial statements prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* on the basis the entity is applying Australian Accounting Standards – Simplified Disclosures for the first time.

[19] See *Not-for-profit private sector and public sector entities* below for application of this document to private sector not-for-profit entities and public sector entities.

[20] Although the illustrative disclosures in this document are based on the example entity being a public company, the document can be used as the basis for developing disclosures for other entities. The key differences for other entities will be the contents of the accompanying documents to the financial statements (e.g. the directors' report) and the basis of preparation in Note 1 where the entity is not reporting in accordance with the *Corporations Act 2001*. Other differences may result from the nature of the entity, e.g. its capital structure. See *Not-for-profit private sector and public sector entities* below for application of this document to private sector not-for-profit entities and public sector entities. Illustrative disclosures in this document which apply only to public companies have been labelled as such.

Not-for-profit private sector and public sector entities

Paragraph 214 of AASB 1060 contains a summary of disclosures applicable only to not-for-profit private sector entities and public sector entities. In addition, some not-for-profit entities may be affected by the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*, insofar as they relate to the primary financial statements and notes to the financial statements.

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

Illustrative disclosures and guidance specific to public sector entities have been highlighted in this document by being shaded using light green colouring as illustrated here.

The illustrative disclosures are suitable for use as a guide only and will not be appropriate for use by all not-for-profit private sector and public sector entities. Each not-for-profit private sector and public sector entity should consider its respective circumstances and amend the disclosures as necessary.

Best practice disclosures

In some instances, additional 'best practice' disclosures commonly included in financial statements have been illustrated in these model financial statements. These additional disclosures do not have source references included in the left-hand column.

Showing 'nil' amounts

The disclosures included in this publication are illustrated without amounts. This does not mean that we have illustrated all possible disclosures. Nor should it be taken to mean that, in practice, entities are required to display line items for 'nil' amounts.

Changes from the prior Tier 2 model financial report

To assist readers to identify changes from the last Tier 2 model financial report (i.e. for financial reporting periods ending on or after 30 June 2024), we have included this blue colour-coded bar in the left margin of the model financial statements (e.g. for illustrative disclosures of new pronouncements, changes to the consolidated entity disclosure statement). The blue colour-coded bar is not included where information has been removed.

Source references

References to the relevant requirements are provided in the left-hand column of each page of this illustration. Where doubt exists as to the appropriate disclosure requirement, examination of the source of the disclosure requirement is recommended.

Contents

Directors' report

Source

The directors of Tier 2 Limited submit herewith the annual report of the company for the financial year ended 30 June 2025. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Information about the directors

s.300(1)(c) s.300(10)(a) The names and particulars of the directors of the company during or since the end of the financial year are:

Name *[all entities]*	Particulars [*public companies only]*
Mr C.J. Chambers	Chairman, Chartered Accountant, joined the Board in 2019 in a non-executive capacity and is a non-executive director of the ultimate holding company, Y Holdings Limited. Mr C.J. Chambers is also a director of Eastwood Limited. He is a member of the audit committee and the risk management committee.
Mr P.H. Taylor	Chief Executive Officer, joined the Board in 2021. Mr P.H. Taylor was previously the CEO at a large manufacturing company.
Ms F.R. Ridley	Chartered Accountant, joined the Board in 2022 in a non-executive capacity. Ms F.R. Ridley is a member of the nomination and remuneration committee, and of the audit committee.
Mr A.K. Black	Industrial Engineer, joined the Board on 15 July 2024. He previously held various senior management positions in manufacturing and wholesale companies.
Mr B.M. Stavrinidis	Director of Merchant Bank Limited, joined the Board in 2020 in a non-executive capacity. Mr B.M. Stavrinidis is a member of the nomination and remuneration committee, the audit committee, and the risk management committee.
Mr W.K. Flinders	Practicing Solicitor, joined the Board in 2017 in a non-executive capacity and resigned during the year. Mr W.K. Flinders was a member of the nomination and remuneration committee until his resignation.
Ms S.M. Saunders	Practicing Solicitor, joined the Board on 5 August 2024 in a non-executive capacity and resigned after year end. Ms S.M. Saunders was a member of the nomination and remuneration committee and the risk management committee until her resignation.

s.300(1)(c) The above named directors held office during the whole of the financial year and since the end of the financial year except for:

- Mr W.K. Flinders – resigned 15 July 2024
- Ms S.M. Saunders – appointed 5 August 2024, resigned 18 July 2025
- Mr A.K. Black – appointed 15 July 2024.

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.

Source

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.

Company secretary *[public companies only]*

s.300(10)(d) Mr A.B. Grey, Chartered Accountant, held the position of company secretary of Tier 2 Limited at the end of the financial year. He joined Tier 2 Limited in 2021 and previously held the company secretary position at a large manufacturing company. He is a member of the Governance Institute of Australia Ltd.

s.300(10) Disclosure of the company secretary's qualifications and experience is not required for a public company which is a wholly-owned controlled entity of another company.

Principal activities

s.299(1)(c) The company's principal activities during the financial year were *[describe]*.

During the financial year the company sold its *[describe]* business. Details of the sale are contained in the notes to the financial statements.

Review of operations

s.299(1)(a) The directors' report must contain a review of the company's operations during the financial year and the results of those operations.

ASIC Regulatory Guide 247 *Effective disclosure in an operating and financial review*

ASIC-RG 247 In preparing this disclosure, entities may wish to refer to ASIC Regulatory Guide 247 *Effective disclosure in operating and financial review* (RG 247) and the 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*. These documents provide guidance on the form and content of a listed 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.

Although the guidance has been issued with respect to listed companies it represents best practice and may provide guidance to directors when complying with the review of operations requirements of the *Corporations Act 2001*.

Source

Review of operations (continued)

Non-IFRS financial information

ASIC-RG 230

If the directors consider it appropriate to include non-IFRS financial information in the OFR, the directors' report or another document in the annual report, the guidelines in Section D of Regulatory Guide 230 *Disclosing non-IFRS financial information* should be followed to assist in reducing the risk of non-IFRS financial information being misleading[21].

Important considerations include that:

- IFRS financial information should be given equal or greater prominence compared to non-IFRS financial information, in particular IFRS profit
- Non-IFRS information should:
  - Be explained and reconciled to IFRS financial information
  - Be calculated consistently from period to period
  - Be unbiased and not used to remove 'bad news'.

Entities should refer to Regulatory Guide 230 when preparing their reports as it provides detailed guidance for presenting non-IFRS financial information.

A clear statement should be made about whether the non-IFRS financial information has been audited or reviewed in accordance with Australian Auditing Standards.

Changes in state of affairs

s.299(1)(b)

During the financial year, the company disposed of its *[describe]* business. The company is also seeking to dispose of its *[describe]* business, in order to focus its operations toward the *[describe]* market. Other than the aforementioned changes, there was no significant change in the state of affairs of the company during the financial year.

Subsequent events

s.299(1)(d)

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Otherwise, describe the matter(s) or circumstance(s).

[21] Non-IFRS financial information is financial information presented other than in accordance with all relevant accounting standards.

Source

Future developments

s.299(1)(e), s.299(3) Directors must bring likely developments in the operations of the 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.

Use of the 'unreasonable prejudice' exemption

ASIC RG 247 In determining whether any information should be omitted in the case of 'unreasonable prejudice', ASIC RG 247 *Effective disclosure in an operating and financial review* 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 entity's business strategies and prospects.

Environmental regulations

s.299(1)(f) If the 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 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 directors' 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.

Dividends

s.300(1)(a) In respect of the financial year ended 30 June 2024, as detailed in the directors' report for that financial year, a final dividend of ____ cents per share franked to ____ % at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 8 August 2024.

s.300(1)(a) In respect of the financial year ended 30 June 2025, an interim dividend of ____ cents per share franked to ____ % at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 20 January 2025.

s.300(1)(a) In respect of the financial year ended 30 June 2025, an interim dividend of ____ cents per share franked to ____ % at 30% corporate income tax rate was paid to the holders of redeemable cumulative preference shares on 11 April 2025.

s.300(1)(b) In respect of the financial year ended 30 June 2025, the directors recommend the payment of a final dividend of ____ cents per share franked to ____ % at 30% corporate income tax rate to the holders of fully paid ordinary shares on 15 September 2025.

Source

Dividends (continued)

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 1060:187

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 paragraph 187 of AASB 1060.

Share options

s.300(3)

The disclosures required by s.300(1)(d), s.300(1)(e) and s.300(1)(f) (illustrated in our *Tier 1 models and reporting considerations* publication, available at www.deloitte.com/au/models) 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.

The above requirements (i.e., s.300(1)(d), s.300(1)(e) and s.300(1)(f)) do not apply to options over shares in the entity's parent.

Share options granted to directors and senior management

s.300(1)(d)

The directors' report should include details of options that are:

- Granted over unissued shares or unissued interests during or since the end of the financial year
- Granted to any of the directors or any of the 5 most highly remunerated officers of the company (other than the directors)
- Granted to them as part of their remuneration.

s.300(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.

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(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.

Source

Share options (continued)

Shares under option or issued on exercise of options (continued)

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.

s.300(7) 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.

Indemnification of officers and auditors

s.300(1)(g), s.300(8), s.300(9)

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, Mr A.B. Grey, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 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 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 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

Directors' meetings *[public companies only]*

s.300(10)(b), (c) 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.

	Board of directors		Nomination & remuneration committee		Audit committee		Risk management committee	
Directors	**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.

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).

Auditor's independence declaration

s.298(1AA)(c) The auditor's independence declaration is included on page 28.

True and fair view

s.298(1A) 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.

Source

Rounding off of amounts

ASIC-CI 2016/191.5(f) If the company is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and consequently the amounts in the directors' report and the financial statements are rounded, that fact must be disclosed in the financial statements and the directors' report.

Where the conditions of the Corporations Instrument are met, entities may round to the nearest dollar, nearest thousand dollars, nearest hundred thousand dollars, or to the nearest million dollars, depending upon the total assets of the entity. The appropriate rounding should be included in the disclosure below:

ASIC-CI 2016/191 The company is an entity of the 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 and the financial statements are rounded off to the nearest *[dollar / thousand dollars / hundred thousand dollars / million dollars]*, unless otherwise indicated.

ASIC-CI 2016/191 Where the Corporations Instrument is applied, certain amounts in the directors' report and financial report are required to be rounded to differing levels of precision (e.g. details of indemnities given and insurance premiums paid for officers or auditors, share-based payments, remuneration of auditors, compensation of key management personnel and certain related party information). 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.

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, 14 October 2025

Source

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, details of payments to auditors for non-audit services cannot be transferred to another document under the Corporations Instrument (but can be transferred to the financial report under s.300(2)). 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.

Application to different types of entities

This model financial report is intended to illustrate the minimum information to be disclosed in the annual report of a **public company** (that is not a wholly owned subsidiary of another company) in order to satisfy the reporting requirements of the Corporations Act.

s.300(10) The following disclosures are **only required** to be included in the directors' report if the (Tier 2) annual report is being prepared for a public company that is not a wholly owned subsidiary of another company:

- s.300(10)(a) Each director's qualifications, experience and special responsibilities
- s.300(10)(b) The number of meetings of the board of directors held during the year and each director's attendance at those meetings
- s.300(10)(c) The number of meetings of each board committee held during the year and each director's attendance at those meetings
- s.300(10)(d) The qualifications and experience of each person who is a company secretary of the company as at the end of the year.

These disclosures are illustrated in this publication.

Source

Inclusion of additional information in the directors' report

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'.

Auditor's independence declaration

Source

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Quay Quarter Tower
50 Bridge Street
Sydney NSW 2000

DX: 10307SSE
Tel: +61 (02) 9322 7000
www.deloitte.com

The Board of Directors
Tier 2 Limited
167 Second Terrace
SYDNEY NSW 2000

14 October 2025

Dear Board Members

Auditor's Independence Declaration to Tier 2 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 Tier 2 Limited.

As lead audit partner for the audit of the financial report of Tier 2 Limited for the financial year ended 30 June 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; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

T.L. Green
Partner
Chartered Accountants

Source	
s.307C(1), (3)	If an audit firm, audit company or individual auditor conducts an audit or review of the financial report for the financial year, the 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 a financial report for a financial year satisfies the conditions in subsection 307C if:
	
	• The declaration is given to the directors of the company, registered scheme, registrable superannuation entity or disclosing entity before the directors pass a resolution under s.298(2) in relation to the directors' report for the financial year
	• A director signs the directors' report within 7 days after the declaration is given to the directors
	• The auditors' report on the financial report is made within 7 days after the directors' report is signed
	• The auditors' report includes either of the following statements:
	
	    • A statement to the effect that the declaration would be in the same terms if it had been given to the directors at the time that auditors' report was made
	    • A statement to the effect that circumstances have changed since the declaration was given to the directors and setting out how the declaration would differ if it had been given to the directors at the time the auditor's report was made.

s.307C(5B)	An individual auditor or lead auditor is not required to give a declaration under s.307C(1) and s.307C(3) in respect of a contravention if: • The contravention was a contravention by a person of s.324CE(2) or s.324CG(2) (strict liability contravention of specific independence requirements by individual auditor or audit firm), or s.324CF(2) (contravention of independence requirements by members of audit firms) • The person does not commit an offence because of s.324CE(4), s.324CF(4) or s.324CG(4) (quality control system defence).
s.301(5), 298(1AA), (1AC)	A company that is eligible to adopt the corporate governance concessions available to certain crowd-sourced funded public companies is not required to include a copy of the auditor's independence declaration in its financial report where an auditor has not been appointed or where an audit is not required due to the operation of the concessions.

Independent auditor's report

Source

An independent auditor's report shall be prepared by the auditor in accordance with 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(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	
	## Duty to report
s.308(3)	The auditor's report must describe:
s.308(3)(a)	• Any defect or irregularity in the financial report
s.308(3)(b)	• 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.
	## 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.
s.311	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.

Directors' declaration

Source

The directors declare that, in the directors' opinion[22]:

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 30 June 2025 and its performance for the year ended on that date; and
- (ii) complying with 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; and

s.295(4)(da) (c) the attached consolidated entity disclosure statement is true and correct[23].

Where the entity and its closely-held subsidiaries have entered into a deed of cross guarantee pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*, the following statements must be included in order to be compliant with the conditions of the Instrument:

ASIC-CI 2016/785, s.6(w) At the date of this declaration, the company is within the class of companies affected by *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the company and the companies to which *ASIC Corporations (Wholly owned Companies) Instrument 2016/785* applies, as detailed in note 41 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, 14 October 2025

[22] To make the illustrative directors' declaration clearer and more understandable, the wording has been re-presented using different language from previous editions of these model financial statements. However, this change in wording is not because of any legislative change. Other forms of presentation may also be acceptable.
[23] Only applicable for public companies.

Consolidated statement of comprehensive income

For the year ended 30 June 2025

[Alternative 1 – Single statement, expenses by function]

Source		Notes	Year ended 30/06/2025 $'000	Year ended 30/06/2024 $'000 (restated*)
AASB 1060:31(c) AASB 1060:31(d), (e)				
	Continuing operations			
AASB 1060:52(a)	Revenue	4		
AASB 1060:58(b)	Cost of sales			
	Gross profit			
	Investment income	5		
	Other gains and losses	6		
AASB 1060:58(b)	Distribution expenses			
AASB 1060:58(b)	Marketing expenses			
AASB 1060:58(b)	Occupancy expenses			
AASB 1060:58(b)	Administration expenses			
AASB 1060:58(b)	Other expenses			
AASB 1060:52(b)	Finance costs	5		
AASB 1060:52(c), 127	Share of profits of associates and joint ventures			
	Profit before tax			
AASB 1060:52(d) AASB 112:77	Income tax expense	7		
	Profit for the year from continuing operations			
	Discontinued operations			
AASB 1060:52(e)	Profit for the year from discontinued operations	8		
AASB 1060:52(f)	**PROFIT (LOSS) FOR THE YEAR**			
	Other comprehensive income, net of income tax			
AASB 1060:52(g)(i)	***Items that will not be reclassified subsequently to profit or loss:***			
	Gain on revaluation of property			
	Remeasurement of defined benefit obligation			
	Share of other comprehensive income of associates			
AASB 1060:119(a)(v)	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			
	Other *[describe]*			

Source		Notes	Year ended 30/06/2025 $'000	Year ended 30/06/2024 $'000 (restated*)
AASB 1060:31(c) AASB 1060:31(d), (e)				
AASB 1060:52(g)(ii)	***Items that may be reclassified subsequently to profit or loss:***			
	Exchange differences on translating foreign operations			
AASB 1060:119(a)(vi)	Net fair value gain/(loss) on investments in debt instruments measured at fair value through other comprehensive income			
	Net fair value gain on hedging instruments entered into for cash flow hedges			
	Other *[describe]*			
AASB 1060:52(h)	***Arising from investments accounted for by the equity method[24]:***			
AASB 1060:52(h)	Share of other comprehensive income of associates			
AASB 1060:52(h)	Share of other comprehensive income of joint ventures			
	Other comprehensive income for the year			
AASB 1060:52(i)	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**			
AASB 1060:53(a)	***Profit (loss) for the period attributable to:***			
AASB 1060:53(a)(ii)	- Owners of parent			
AASB 1060:53(a)(i)	- Non-controlling interest			
AASB 1060:53(b)	***Total comprehensive income attributable to:***			
AASB 1060:53(b)(ii)	- Owners of parent			
AASB 1060:53(b)(i)	- Non-controlling interest			

* The comparative information has been restated as a result *of [the change in accounting policy/prior period error]* discussed in note 2.

Additional sources: AASB 1060:25(b)(i), 28, 29,.31(b), 49(a)

[24] AASB 1060:52(h) does not explicitly require that the share of other comprehensive income of associates and joint ventures accounted for by the equity method to be split between amounts that will not be reclassified subsequently to profit and loss and that will be reclassified subsequently to profit and loss when specific conditions arise (as is required by AASB 1060:52(g)). Entities may wish to provide additional information to provide this split if considered necessary.

Consolidated statement of profit or loss

For the year ended 30 June 2025

[Alternative 2 – Separate statements, expenses by nature]

Source		Notes	Year ended 30/06/2025 $'000	Year ended 30/06/2024 $'000 (restated*)
AASB 1060:31(c) AASB 1060:31(d), (e)				
	Continuing operations			
AASB 1060:52(a)	Revenue	4		
	Investment income	5		
	Other gains and losses	6		
AASB 1060:52(c)	Share of profits of associates and joint ventures			
AASB 1060:58(a)	Changes in inventories of finished goods and work in progress			
AASB 1060:58(a)	Raw materials and consumables used			
AASB 1060:58(a)	Depreciation and amortisation expenses			
AASB 1060:58(a)	Employee benefits expense			
AASB 1060:52(b)	Finance costs	5		
AASB 1060:58(a)	Consulting expense			
AASB 1060:58(a)	Other expenses			
	Profit before tax			
AASB 1060:52(d) AASB 112:77	Income tax expense	7		
	Profit for the year from continuing operations			
AASB 5:33A	**Discontinued operations**			
AASB 1060:52(e)	Profit (loss) for the year from discontinued operations	8		
AASB 1060:52(f)	**PROFIT (LOSS) FOR THE YEAR**			

* The comparative information has been restated as a result *of [the change in accounting policy/prior period error]* discussed in note 2.

Additional sources: AASB 1060:25(b)(ii), 28, 29,.31(b), 49(b), 54

Consolidated statement of comprehensive income

For the year ended 30 June 2025

[Alternative 2 – Separate statements]

Source		Year ended 30/06/2025 $'000	Year ended 30/06/2024 $'000 (restated*)
AASB 1060:31(c) AASB 1060:31(d), (e)			
AASB 1060:25(b)(ii)	**Profit for the year**		
	Other comprehensive income		
AASB 1060:52(g)(i)	***Items that will not be reclassified subsequently to profit or loss:***		
AASB 1060:52(g)(i)	Remeasurements of defined benefit plans		
AASB 1060:52(g)(i)	Gain on revaluation of property		
AASB 1060:52(g)(i)	Fair value gain/(loss) on investments in equity instruments designated at fair value through other comprehensive income		
AASB 1060:52(g)(i)	Fair value gain/(loss) on financial liabilities designated as at FVTOCI		
AASB 1060:52(g)(i)	Fair value gain/(loss) on financial liabilities designated as at FVTPL attributable to changes in credit risk		
AASB 1060:52(g)(i)	Fair value gain/(loss) on hedging instruments entered into for cash flow hedges subject to basis adjustment		
AASB 1060:52(g)(i)	Fair value gain/(loss) on hedging instruments hedging investments in equity instruments measured at fair value through other comprehensive income		
AASB 1060:52(g)(i)	Cost of hedging subject to basis adjustment		
AASB 1060:52(g)(i)	Income tax relating to items that will not be reclassified subsequently to profit or loss		
AASB 1060:52(g)(ii)	***Items that may be reclassified subsequently to profit or loss:***		
AASB 1060:52(g)(ii)	Foreign currency translation, net of investment hedges of foreign operations		
AASB 1060:52(g)(ii)	Fair value gain/(loss) on investments in debt instruments at fair value through other comprehensive income		
AASB 1060:52(g)(ii)	Costs of hedging not subject to basis adjustment		
AASB 1060:52(g)(ii)	Changes in the value of the time value of options when separating the intrinsic value for hedging purposes		
AASB 1060:52(g)(ii)	Changes in the value of forward elements of forward contracts when separating the forward and spot elements for hedging purposes		
AASB 1060:52(g)(ii)	Income tax relating to items that may be reclassified subsequently to profit or loss		

Source		Year ended 30/06/2025 $'000	Year ended 30/06/2024 $'000 (restated*)
AASB 1060:31(c) AASB 1060:31(d), (e)			
AASB 1060:52(h)	***Arising from investments accounted for by the equity method[25]:***		
AASB 1060:52(h)	Share of other comprehensive income of associates		
AASB 1060:52(h)	Share of other comprehensive income of joint ventures		
	Related income tax		
	Other comprehensive income for the year, net of income tax		
AASB 1060:52(i)	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**		
AASB 1060:53(a)	***Profit (loss) for the period attributable to:***		
AASB 1060:53(a)(ii)	- Owners of parent		
AASB 1060:53(a)(i)	- Non-controlling interest		
AASB 1060:53(b)	***Total comprehensive income attributable to:***		
AASB 1060:53(b)(ii)	- Owners of the parent		
AASB 1060:53(b)(i)	- Non-controlling interests		

* The comparative information has been restated as a result *of [the change in accounting policy/prior period error]* discussed in note 2.

Additional sources: AASB 1060:25(b)(ii), 28, 29,.31(b), 49(b), 54

[25] AASB 1060:52(h) does not explicitly require that the share of other comprehensive income of associates and joint ventures accounted for by the equity method to be split between amounts that will not be reclassified subsequently to profit and loss and that will be reclassified subsequently to profit and loss when specific conditions arise (as is required by AASB 1060:52(g)). Entities may wish to provide additional information to provide this split if considered necessary.

Consolidated statement of income and retained earnings

For the year ended 30 June 2025

[Alternative 3 – Combined statement, available in certain circumstances]

Source		Notes	Year ended 30/06/2025 $'000	Year ended 30/06/2024 $'000 (restated*)
AASB 1060:31(c) AASB 1060:31(d), (e)				
	Continuing operations			
AASB 1060:52(a)	Revenue	4		
	Investment income	5		
	Other gains and losses	6		
AASB 1060:52(c)	Share of profits of associates and joint ventures			
AASB 1060:58(a)	Gain recognised on disposal of interest in former associate			
AASB 1060:58(a)	Changes in inventories of finished goods and work in progress			
AASB 1060:58(a)	Raw materials and consumables used			
AASB 1060:58(a)	Depreciation and amortisation expenses			
AASB 1060:58(a)	Employee benefits expense			
AASB 1060:52(b)	Finance costs	5		
AASB 1060:58(a)	Consulting expense			
AASB 1060:58(a)	Other expenses			
	Profit before tax			
AASB 1060:52(d) AASB 112:77	Income tax expense	8		
	Profit for the year from continuing operations			
AASB 5:33A	**Discontinued operations**			
AASB 1060:52(e)	Profit for the year from discontinued operations			
AASB 1060:52(f)	**Profit (loss) for the year**			
AASB 1060:63(a)	**Retained earnings at the beginning of the financial year**			
AASB 1060:63(b)	Dividends			
AASB 1060:63(c)	Restatements for corrections of prior period errors			
AASB 1060:63(d)	Restatements for changes in accounting policies			
AASB 1060:63(e)	**Retained earnings at the end of the financial year**			

* The comparative information has been restated as a result *of [the change in accounting policy/prior period error]* discussed in note 2.

Source

Alternative presentation available in certain circumstances

AASB 1060:26

The entity may present a single statement of income and retained earnings in place of the statement of comprehensive income and statement of changes in equity if the only changes to equity during the periods for which financial statements are presented arise from:

- Profit or loss
- Payment of dividends
- Corrections of prior period errors
- Changes in accounting policy.

AASB 1060:27

If an entity has no items of other comprehensive income in any of the periods for which financial statements are presented, it may present only a statement of profit or loss or it may present a statement of comprehensive income in which the 'bottom line' is labelled 'profit or loss'

AASB 1060:50

A change from the single-statement approach to the two-statement approach, or vice versa, is a change in accounting policy to which AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* applies.

AASB 1060:30

An entity may use titles for the financial statements other than those used in AASB 1060 as long as they are not misleading.

Consolidated statement of financial position

For the financial year ended 30 June 2025

Source		Notes	30/06/2025 $'000	30/06/2024 $'000 (restated)
AASB 1060:31(c)				
AASB 1060:31(d),(e)				
	Assets			
AASB 1060:37	***Current assets***			
AASB 1060:35(a)	Cash and bank balances	28		
AASB 1060:35(b)	Trade and other receivables	9		
	Finance lease receivables	10		
AASB 1060:35(c)	Other financial assets	11		
AASB 1060:35(d)	Inventories	12		
AASB 1060:35(m)	Current tax assets			
AASB 1060:36	Other assets	21		
AASB 1060:35(r) AASB 5:38	Assets classified as held for sale	8		
	Total current assets			
AASB 1060:37	***Non-current assets***			
AASB 1060:35(c), 36	Finance lease receivables	10		
AASB 1060:35(c)	Other financial assets	11		
AASB 1060:35(i)	Investments in associates	13		
AASB 1060:35(j)	Investments in joint ventures	14		
AASB 1060:35(e)	Property, plant and equipment	15		
AASB 1060:35(f)	Investment property	16		
AASB 16:47	Right-of-use assets	17		
AASB 1060:35(h)	Biological assets	18		
	Goodwill	19		
AASB 1060:35(g)	Other intangible assets	20		
AASB 1060:36	Other assets	21		
	Total non-current assets			
	Total assets			

Source		Notes	30/06/2025 $'000	30/06/2024 $'000 (restated)
AASB 1060:31(c)				
AASB 1060:31(d),(e)				
	Liabilities			
AASB 1060:37	***Current liabilities***			
AASB 1060:35(k)	Trade and other payables	22		
AASB 1060:36	Lease liabilities	23		
AASB 1060:36	Other borrowings	24		
AASB 1060:35(l)	Other financial liabilities	25		
AASB 1060:35(o)	Provisions	26		
AASB 1060:36	Deferred government grants	28		
AASB 1060:35(m)	Current tax liabilities			
AASB 1060:36	Other liabilities	29		
AASB 1060:35(s) AASB 5:38	Liabilities directly associated with assets classified as held for sale	8		
	Total current liabilities			
AASB 1060:37	***Non-current liabilities***			
AASB 1060:36	Lease liabilities	23		
AASB 1060:36	Borrowings	24		
AASB 1060:35(l)	Other financial liabilities	25		
AASB 1060:35(o)	Provisions	26		
AASB 1060:35(n)	Deferred tax liabilities	27		
AASB 1060:36 AASB 120:24	Deferred government grants	28		
AASB 1060:36	Other liabilities	29		
	Total non-current liabilities			
	Total liabilities			
	Net assets			
	Equity			
AASB 1060:44(f)	Issued capital	30		
AASB 1060:44(f)	Reserves	31		
AASB 1060:44(f)	Retained earnings			
AASB 1060:35(q)	***Equity attributable to owners of the parent***			
AASB 1060:35(p)	Non-controlling interests			
	Total equity			

* The comparative information has been restated as a result *of [the change in accounting policy/prior period error]* discussed in note 2.

Additional references: AASB 1060:31(b), 34

Source

Current/non-current distinction

AASB 1060:37 An entity presents current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position in accordance with paragraphs 38-41, except when a presentation based on liquidity provides information that is reliable and more relevant. When that exception applies, all assets and liabilities shall be presented in order of approximate liquidity (ascending or descending).

AASB 1060:38 An entity shall classify an asset as current when:

- It expects to realise the asset, or intends to sell or consume it, in the entity's normal operating cycle
- It holds the asset primarily for the purpose of trading
- It expects to realise the asset within twelve months after the reporting date, or
- The asset is cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

AASB 1060:39 An entity shall classify all other assets as non-current. When the entity's normal operating cycle is not clearly identifiable, its duration is assumed to be twelve months.

AASB 1060:40 An entity shall classify a liability as current when:

- It expects to settle the liability in the entity's normal operating cycle
- It holds the liability primarily for the purpose of trading
- The liability is due to be settled within twelve months after the reporting date, or
- The entity does not have the right at the reporting date to defer settlement of the liability for at least twelve months after the reporting date.

AASB 1060:41 An entity classifies all other liabilities as non-current.

AASB 1060:41A Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if, applying AASB 132 *Financial Instruments: Presentation*, the entity classifies the option as an equity instrument, recognising it separately from the liability as an equity component of a compound financial instrument.

Sequencing of items and format of items in the statement of financial position

AASB 1060:42 AASB 1060 does not prescribe the sequence or format in which items are to be presented. In addition:

- Line items are included when the size, nature or function of an item or aggregation of similar items is such that separate presentation is relevant to an understanding of the entity's financial position
- The descriptions used and the sequencing of items or aggregation of similar items may be amended according to the nature of the entity and its transactions, to provide information that is relevant to an understanding of the entity's financial position.

AASB 1060:43 The judgement on whether additional items are presented separately is based on an assessment of all of the following:

- The amounts, nature and liquidity of assets
- The function of assets within the entity
- The amounts, nature and timing of liabilities.

Consolidated statement of changes in equity

For the year ended 30 June 2025

Source

Source		Share capital $'000	Properties revaluation reserve $'000	Investments revaluation reserve $'000	Share-based payments reserve $'000	Cash flow hedging reserve $'000	Foreign currency translation reserve $'000	Option premium on convertible notes $'000	Retained earnings $'000	Attributable to owners of the parent $'000	Non-controlling interest $'000	Total equity $'000
AASB 1060:31(c) AASB 1060:31(d), (e)	**Balance at 1 July 2023 (as previously reported)**											
AASB 1060:61(b)	Effect of change in accounting policy for *[insert as relevant]*											
	Balance at 1 July 2023 (as restated)											
AASB 1060:61(c)(i)	Profit for the year											
AASB 1060:61(c)(ii)	Other comprehensive income for the year, net of income tax											
AASB 1060:61(a)	Total comprehensive income for the year											
AASB 1060:61(c)(iii)	Payment of dividends											
AASB 1060:61(c)(iii)	Recognition of share-based payments											
	Balance at 30 June 2024											
AASB 1060:61(c)(i)	Profit for the year											
AASB 1060:61(c)(ii)	Other comprehensive income for the year, net of income tax											
AASB 1060:61(a)	Total comprehensive income for the year											
AASB 1060:61(c)(iii)	Recognition of share-based payments											
AASB 1060:61(c)(iii)	Payment of dividends											
AASB 1060:61(c)(iii)	Issue of ordinary shares under employee share option plan											
AASB 1060:61(c)(iii)	Issue of ordinary shares for consulting services performed											
AASB 1060:61(c)(iii)	Issue of convertible non-participating preference shares											
AASB 1060:61(c)(iii)	Issue of convertible notes											
AASB 1060:61(c)(iii)	Share issue costs											
AASB 1060:61(c)(iii)	Buy-back of ordinary shares											
AASB 1060:61(c)(iii)	Share buy-back costs											
AASB 1060:61(c)(iii)	Transfer to retained earnings											
AASB 1060:61(c)(iii)	Income tax relating to transactions with owners											
AASB 1060:61(c)(iii)	Other *[describe]*											
	Balance at 30 June 2025											

Additional sources: AASB 1060:31, 60

Note: This statement is not required to be included where the entity is eligible to and adopts 'Alternative 3' illustrated on page 38.

Consolidated statement of cash flows

For the year ended 30 June 2025
[Alternative 1 – Direct method]

Source AASB 1060:31(c) AASB 1060:31(d), (e)		Notes	Year ended 30/06/2025 $'000	Year ended 30/06/2024 $'000 (restated*)
AASB 1060:66	**Cash flows from operating activities**			
AASB 1060:67(a)	Receipts from the sale of goods and rendering of services			
AASB 1060:67(b)	Receipts from royalties, fees, commissions and other revenue			
AASB 1060:67(c)	Payments to suppliers for goods and services			
AASB 1060:67(d)	Payments to and on behalf of employees			
AASB 1060:67(e), 85	Payments (refunds) of income tax			
AASB 1060:67(f)	Receipts (payments) from investments, loans and other contracts held for sale			
AASB 1060:160	Government grants received	28		
AASB 1060:82, 83	Interest paid			
AASB 1060:82, 83	Interest received			
AASB 1060:82, 83	Dividends received			
AASB 1060:67(e),85	Income tax paid			
	Net cash generated by operating activities			
AASB 1060:66, 74	**Cash flows from investing activities**			
AASB 1060:68(a)	Payments to acquire property, plant and equipment			
AASB 1060:68(b)	Receipts from the sale of property, plant and equipment			
AASB 1060:74	Government grants towards purchase of property, plant and equipment			
AASB 1060:68(c)	Payments to acquire equity or debt instruments			
AASB 1060:68(d)	Receipts from the sale of equity or debt instruments			
AASB 1060:68(c)	Payments to acquire interests in joint ventures			
AASB 1060:68(d)	Receipts from the sale of interests in joint ventures			
AASB 1060:68(e)	Advances and loans made to other parties			
AASB 1060:68(f)	Repayments of advances and loans to other parties			
AASB 1060:68(g)	Payments for derivatives (other than those held for dealing or trading)			
AASB 1060:68(h)	Receipts from derivatives (other than those held for dealing or trading)			
AASB 1060:74	Payments for investment property			
AASB 1060:74	Proceeds from disposal of investment property			
AASB 1060:74	Net cash outflow on acquisition of businesses	34		
AASB 1060:74	Net cash inflow on disposal of businesses			
	Net cash (used in)/generated by investing activities			

Source		Notes	Year ended 30/06/2025 $'000	Year ended 30/06/2024 $'000 (restated*)
AASB 1060:31(c) AASB 1060:31(d), (e)				
AASB 1060:66, 74	**Cash flows from financing activities**			
AASB 1060:69(a)	Proceeds from issuing shares or other equity instruments			
AASB 1060:69(b)	Payments to owners to acquire or redeem shares or other equity instruments			
	Payment for share buy-back costs			
AASB 1060:69(c)	Proceeds from borrowings			
AASB 1060:69(d)	Repayment of borrowings			
AASB 1060:69(e) AASB 16:50(a)	Payments to reduce lease liabilities			
AASB 1060:82	Dividends paid on redeemable cumulative preference shares			
AASB 1060:82	Dividends paid to owners of the Company			
	Net cash used in financing activities			
	Net increase in cash and cash equivalents			
	Cash and cash equivalents at the beginning of the year			
AASB 1060:81	Effects of exchange rate changes on the balance of cash held in foreign currencies			
	Cash and cash equivalents at the end of the year	35		

* The comparative information has been restated as a result *of [the change in accounting policy/prior period error]* discussed in note 2.

Additional sources: AASB 1060:73

AASB 1060:70, 73

The above illustrates the direct method of reporting cash flows from operating activities. Under the direct method, net cash flow from operating activities is presented by disclosing information about major classes of gross cash receipts and gross cash payments.

Reporting cash flows on a net basis

AASB 1060:75, 76, 77

Cash flows arising from the following operating, investing or financing activities may be reported on a net basis:

- Cash receipts and payments on behalf of customers when the cash flows reflect the activities of the customer rather than those of the entity (e.g. the acceptance and repayment of demand deposits with a bank, funds held for customers by an investment entity, and rents collected on behalf of, and paid over to, the owners of properties)
- Cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short (e.g. principal amounts relating to credit card customers, the purchase and sale of investments, and other short-term borrowings).

AASB 1060:78

Cash flows arising from each of the following activities of a financial institution may be reported on a net basis:

- Cash receipts and payments for the acceptance and repayment of deposits with a fixed maturity date
- The placement of deposits with and withdrawal of deposits from other financial institutions
- Cash advances and loans made to customers and the repayment of those advances and loans.

Consolidated statement of cash flows

For the year ended 30 June 2025

[Alternative 2 – Indirect method]

Source		Notes	Year ended 30/06/2025 $'000	Year ended 30/06/2024 $'000 (restated*)
	Cash flows from operating activities			
	Profit for the year			
	Adjustments for:			
AASB 1060:71(b)	- Depreciation and amortisation of non-current assets			
AASB 1060:71(b)	- Net foreign exchange (gain)/loss			
AASB 1060:71(b)	- Share of profits of associates and joint ventures			
AASB 1060:71(c)	- Income tax expense recognised in profit or loss			
AASB 1060:71(c)	- Finance costs recognised in profit or loss			
AASB 1060:71(c)	- Investment income recognised in profit or loss			
AASB 1060:71(c)	- Gain on disposal of property, plant and equipment			
AASB 1060:71(c)	- Gain arising on changes in fair value of investment property			
AASB 1060:71(c)	- Gain on disposal of business			
AASB 1060:71(c)	- Gain on disposal of interest in former associate			
AASB 1060:71(c)	- Net (gain)/loss arising on financial liabilities designated as at fair value through profit or loss			
AASB 1060:71(c)	- Net (gain)/loss arising on financial assets classified as held for trading			
AASB 1060:71(c)	- Hedge ineffectiveness on cash flow hedges			
AASB 1060:71(c)	- Net (gain)/loss on disposal of available-for-sale financial assets			
AASB 1060:71(c)	- Impairment loss recognised on trade receivables			
AASB 1060:71(c)	- Reversal of impairment loss on trade receivables			
AASB 1060:71(c)	- Impairment of non-current assets			
AASB 1060:71(c)	- Amortisation of financial guarantee contracts			
AASB 1060:71(c)	- Gain arising on effective settlement of claim against the distribution business			

Source		Notes	Year ended 30/06/2025 $'000	Year ended 30/06/2024 $'000 (restated*)
	Movements in working capital			
AASB 1060:71(a)	- Increase in trade and other receivables			
AASB 1060:71(a)	- (Increase)/decrease in inventories			
AASB 1060:71(a)	- (Increase)/decrease in contract costs			
AASB 1060:71(a)	- (Increase)/decrease in other assets			
AASB 1060:71(a)	- Decrease in trade and other payables			
AASB 1060:71(a)	- Increase/(decrease) in provisions			
AASB 1060:71(a)	- Increase/(decrease) in deferred government grants			
AASB 1060:71(a)	- Increase in contract liabilities			
AASB 1060:71(a)	- Increase/(decrease) in refund liability			
AASB 1060:71(a)	- (Decrease)/increase in other liabilities			
	Cash generated from operations			
AASB 1060:82	Interest paid			
AASB 1060:82	Interest received			
AASB 1060:67(e), 85	Payments (refunds) of income tax			
	Net cash generated by operating activities			
AASB 1060:66, 74	**Cash flows from investing activities**			
AASB 1060:68(a)	Payments to acquire property, plant and equipment			
AASB 1060:68(b)	Receipts from the sale of property, plant and equipment			
AASB 1060:74	Government grants towards purchase of property, plant and equipment			
AASB 1060:68(c)	Payments to acquire equity or debt instruments			
AASB 1060:68(d)	Receipts from the sale of equity or debt instruments			
AASB 1060:68(c)	Payments to acquire interests in joint ventures			
AASB 1060:68(d)	Payments from the sale of interests in joint ventures			
AASB 1060:68(e)	Advances and loans made to other parties			
AASB 1060:68(f)	Repayments of advances and loans to other parties			
AASB 1060:68(g)	Payments for derivatives (other than those held for dealing or trading)			
AASB 1060:68(h)	Receipts from derivatives (other than those held for dealing or trading)			
AASB 1060:74	Payments for investment property			
AASB 1060:74	Proceeds from disposal of investment property			
AASB 1060:74	Net cash outflow on acquisition of businesses	34		
AASB 1060:74	Net cash inflow on disposal of businesses`			
	Net cash (used in)/generated by investing activities			

Source		Notes	Year ended 30/06/2025 $'000	Year ended 30/06/2024 $'000 (restated*)
AASB 1060:66, 74	**Cash flows from financing activities**			
AASB 1060:69(a)	Proceeds from issuing shares or other equity instruments			
AASB 1060:69(b)	Payments to owners to acquire or redeem shares or other equity instruments			
AASB 1060:74	Payment for share buy-back costs			
AASB 1060:69(c)	Proceeds from borrowings			
AASB 1060:69(d)	Repayment of borrowings			
AASB 1060:69(e)	Payments to reduce lease liabilities			
AASB 1060:82	Dividends paid on redeemable cumulative preference shares			
AASB 1060:82	Dividends paid to owners of the Company			
	Net cash used in financing activities			
	Net increase in cash and cash equivalents			
	Cash and cash equivalents at the beginning of the year			
AASB 1060:81	Effects of exchange rate changes on the balance of cash held in foreign currencies			
	Cash and cash equivalents at the end of the year	35		

* The comparative information has been restated as a result *of [the change in accounting policy/prior period error]* discussed in note 2.

AASB 1060:71 — The above illustrates the indirect method of reporting cash flows from operating activities.

AASB 1060:72 — Alternatively, the net cash flow from operating activities may be presented under the indirect method by showing the revenues and expenses disclosed in the statement of comprehensive income and the changes during the period in inventories and operating receivables and payables.

Additional sources: AASB 1060:70

Notes to the consolidated financial statements

Source

General requirements for the financial statements

Scope

AASB 1060:90

Notes contain information in addition to that presented in the statement of financial position, the statement of profit or loss and other comprehensive income (if presented), the statement of profit or loss and the statement of comprehensive income (if presented), the combined statement of income and retained earnings (if presented), the statement of changes in equity (if presented) and the statement of cash flows. Notes provide narrative descriptions or disaggregations of items presented in those statements and information about items that do not qualify for recognition in those statements.

Structure

AASB 1060:91

The notes:

- Present information about the basis of preparation of the financial statements and the specific accounting policies used
- Disclose the information required by AASB 1060
- Provide information that is not presented elsewhere in the financial statements but is relevant to an understanding of any of them.

AASB 1060:92

An entity, as far as practicable, presents the notes in a systematic manner. An entity cross references each item in the financial statements to any related information in the notes.

AASB 1060:94

An entity may present notes providing information about the basis of preparation of the financial statements and specific accounting policies as a separate section of the financial statements.

Order

AASB 1060:93

Examples of systematic ordering or grouping of the notes include:

- Giving prominence to the areas of its activities that the entity considers to be most relevant to an understanding of its financial performance and financial position, such as grouping together information about particular operating activities
- Grouping together information about items measured similarly such as assets measured at fair value
- Following the order of the line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position, such as:
  - Statement of compliance with Australian Accounting Standards – Simplified Disclosures
  - Material accounting policy information
  - Supporting information for items presented in the statements of financial position and in the statement(s) of profit or loss and other comprehensive income, and in the statements of changes in equity and of cash flows, in the order in which each statement and each line item is presented
  - Other disclosures, including: (1) contingent liabilities and unrecognised contractual commitments (2) non-financial disclosures.

Source

General requirements for the financial statements (continued)

Comparative information

AASB 1060:20

Except when AASB 1060 permits or requires otherwise, an entity discloses comparative information in respect of the previous comparable period for all amounts presented in the current period's financial statements. An entity includes comparative information for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.

Materiality

AASB 1060:23

AASB 1060 specifies information that is required to be included in the financial statements, which include the notes. An entity need not provide a specific disclosure if the information resulting from that disclosure is not material. This is the case even if AASB 1060 contains a list of specific requirements or describes them as minimum requirements.

Disclosures in separate financial statements

These financial statements illustrate the disclosures in consolidated financial statements rather than separate financial statements.

AASB 1060:105

When a parent, an investor in an associate or venturer with an interest in a joint venture prepares separate financial statements, those separate financial statements disclose:

- That the statements are separate financial statements
- A description of the methods used to account for the investments in subsidiaries, joint ventures and associates,

and identify the consolidated financial statements or other primary financial statements to which they relate.

Source

General requirements for the financial statements (continued)

Definitions and presentation requirements of other Australian Accounting Standards

AASB 1060:2

Except to the extent specifically addressed in AASB 1060, the definitions and presentation requirements of other Australian Accounting Standards continue to apply. Entities are permitted to refer to other Standards for guidance on the requirements in AASB 1060, including:

- AASB 7 *Financial Instruments: Disclosures*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 101 *Presentation of Financial Statements*
- AASB 107 *Statement of Cash Flows*
- AASB 124 *Related Party Disclosures*.

AASB 1060:IG1

In addition to the disclosure requirements of AASB 1060, entities applying Australian Accounting Standards – Simplified Disclosures are therefore required to comply with the presentation requirements and associated guidance of these Australian Accounting Standards:

- AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* – paragraphs 31, 32, 33A, 34, 36 and 37-40
- AASB 6 *Exploration for and Evaluation of Mineral Resources* – paragraphs 15-17
- AASB 15 *Revenue from Contracts with Customers* – paragraphs 105-109
- AASB 16 *Leases* – paragraphs 47-50 and 88
- AASB 112 *Income Taxes* – paragraphs 71-78
- AASB 119 *Employee Benefits* – paragraphs 131-134
- AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* – paragraphs 24-31
- AASB 132 *Financial Instruments: Presentation*
- AASB 1050 *Administered Items* – paragraphs 9-21 and 23-25
- AASB 1055 *Budgetary Reporting* – paragraph 9-15
- Interpretation 17 *Distributions of Non-current Assets to Owners* – paragraph 15.

In some cases, the presentation requirements outlined above refer to other requirements of Australian Accounting Standards that are not applicable in financial statements prepared in accordance with AASB 1060. For example, many of these presentation requirements refer to AASB 101 *Presentation of Financial Statements*, even though that Standard does not apply to entities applying Australian Accounting Standards – Simplified Disclosures.

In these cases, we believe that entities applying Australian Accounting Standards – Simplified Disclosures should instead refer to the equivalent requirements in AASB 1060, with the guidance in those other Standards referred to as guidance.

Source

General requirements for the financial statements (continued)

Application of AASB 17 *Insurance Contracts* in Tier 2 financial statements[26]

AASB 1060: BC88

In finalising AASB 1060, the AASB decided not to address simplified disclosures in respect of AASB 17 *Insurance Contracts* in AASB 1060 as the majority of the entities applying AASB 17 would have public accountability by holding assets in a fiduciary capacity (and so would be ineligible to apply Simplified Disclosures).

AASB 1060: BC88

The AASB acknowledged that AASB 17 is applicable to entities such as 'captive insurers' which may not be publicly accountable and hence would be eligible to apply AASB 1060. These entities will have to provide the full disclosures of AASB 17, as the disclosures in that Standard have not been replaced by AASB 1060. However, the AASB was of the view that 'captive insurers' deal only with insurance contracts within their own group and as a result are likely to have relatively simple insurance arrangements. They would therefore not be unduly impacted by the full disclosure requirements under AASB 17.

Illustrative disclosures for entities applying AASB 17 are available in Deloitte's publication *Illustrative disclosures for insurers applying IFRS 17*.

Presentation and disclosure requirements of AASB 1060 which are not required under Tier 1

Presentation and disclosure requirements required by AASB 1060 that are not required under Tier 1 financial statements include:

AASB 1060:BC62
AASB 1060:63(a)-(e)

- Disclosures where an entity has applied the option of not presenting a separate statement of changes in equity, but instead presented a statement of income and retained earnings

AASB 1060:BC70(c)
AASB 1060:173-175

- Information about the nature of termination benefits and other long-term benefits, the amount of the obligations and extent of funding.

[26] AASB 2022-8 *Amendments to Australian Accounting Standards - Insurance Contracts: Consequential Amendments* 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 *Insurance Contracts* and AASB 1023 *General Insurance Contracts* until annual periods beginning on or after 1 July 2026, when they are required to apply AASB 17. Similar considerations to those outlined in this section apply to public sector entities in applying those Standards.

Source

General requirements for the financial statements (continued)

Accounting policy disclosures

In these model financial statements the accounting policies have been presented as the last note to the financial statements. Entities may wish to present accounting policies earlier in the notes to the financial statements, or together with the relevant notes.

Accounting policy disclosure changes

AASB 1060:95

Effective for annual reporting periods beginning on or after 1 January 2023 entities were required to disclose material accounting policy information (as opposed to significant accounting policies). Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

AASB 101.117B

AASB 101 *Presentation of Financial Statements*[27] notes the following areas as examples where an entity is likely to consider accounting policy information material to its financial statements if that information relates to material transactions, other events or conditions and:

Potentially material accounting policy information	**Illustrative examples**
The entity changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements	• Application of a new or revised Australian Accounting Standards • Applying an IFRIC agenda decision that changes the accounting policy previously adopted by the entity
The entity chose the accounting policy from one or more options permitted by Australian Accounting Standards	• Measurement of property, plant and equipment at cost or on the revaluation basis • Classification of investments in equity instruments as fair value through other comprehensive income
The accounting policy was developed in accordance with AASB 108 in the absence of an Australian Accounting Standard that specifically applies	• Accounting for the R&D tax offset as either a government grant or income tax
The accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity discloses those judgements or assumptions	• Allocation of the transaction price to performance obligations and when the entity recognises revenue in relation to complex revenue streams • Treatment of uncertain tax positions

[27] Although AASB 101 *Presentation of Financial Statements* does not apply directly to entities applying AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, paragraph 2 of AASB 1060 permits entities to refer to other standards for guidance on the requirements in AASB 1060. Therefore, the guidance in AASB 101 on disclosure of accounting policy information may be referred to by entities applying AASB 1060. (See also paragraph BC11(a) of AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*.)

Source

General requirements for the financial statements (continued)

Accounting policy disclosures (continued)

Accounting policy disclosure changes (continued)

Potentially material accounting policy information	Illustrative examples
The accounting required for the material transactions, other events or conditions is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions	• Recognition and measurement of written puts over non-controlling interests • Deferred tax consequences of investments in subsidiaries within tax-consolidated groups.

AASB Practice Statement 2 *Making Materiality Judgements* provides further non-mandatory guidance on determining whether accounting policy information is material. In part, the Practice Statement notes the following:

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

AASB 101: 117A

Accounting policy information which relates to immaterial transactions, other events or conditions is immaterial and does not need to be disclosed. However, there may be accounting policy information which is considered material due to the nature of related transactions, other events or conditions even if the amounts are immaterial. Conversely, accounting policy information relating to material transactions, other events or conditions should not necessarily be considered material.

AASB 101: 117C

Accounting policy information which is entity-specific, focusing on how the entity has applied the requirements of Australian Accounting Standards to its own circumstances, is more useful to users of the financial statements than standardised information or information which duplicates or summarises the requirements of the relevant Australian Accounting Standards.

Removal of this 'boilerplate' information can substantially reduce the volume of disclosure in financial statements.

AASB 101: 117D

If an entity chooses to disclose immaterial accounting policy information, that information should not obscure material accounting policy information.

AASB 101: 117E

Further, if an entity concludes that accounting policy information is immaterial, that conclusion does not affect the related disclosure requirements of other Australian Accounting Standards.

Each entity considers the nature of its operations and the policies that users of its financial statements would expect to be disclosed for that type of entity.

Source

General requirements for the financial statements (continued)

Accounting policy disclosures (continued)

Accounting policy disclosure changes (continued)

These model financial statements are provided for illustrative purposes, without an assessment of materiality. Therefore, for completeness, in these model financial statements accounting policies have been provided for some immaterial items, although this is not required under Australian Accounting Standards. The illustrative accounting policies disclosures in Note 46. *Accounting policies* should be tailored to be specific to the entity.

Source

1. General information

Basis of preparation

AASB 1060:91(a), 94
AASB 1060:11(a)

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

AASB 1060:31(b)
AASB 1060:11(b)

The financial statements comprise the consolidated financial statements of Tier 2 Limited (the Company) and the entities it controls (together the Group). For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

AASB 1060:31(d)
AASB 1060:181

The presentation currency used in these financial statements is Australian dollars ($). Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

AASB 1060:181

An entity discloses the currency in which the financial statements are presented. When the presentation currency is different from the functional currency, an entity states that fact and discloses the functional currency and the reason for a different presentation currency.

AASB 1060:182

When there is a change in the functional currency of either the reporting entity or a significant foreign operation, the entity discloses that fact and the reason for the change in functional currency.

AASB 1060:179

References to 'functional currency' in the paragraphs above apply, in the case of a group, to the functional currency of the parent.

AASB 1060:183

An entity to which AASB 129 *Financial Reporting in Hyperinflationary Economies* applies discloses the following:

- The fact that the financial statements and other prior period data have be restated for changes in the general purchasing power of the functional currency
- The identity and level of the price index at the reporting date and changes during the current reporting period and the previous reporting period
- The amount of gain or loss on monetary items.

AASB 1060:184

An entity applying AASB 129 also discloses whether the financial statements are based on a historical cost approach or a current cost approach.

Statement of compliance

AASB 1060:9

The Company does not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

AASB 1060:10

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Source

1. General information (continued)

Rounding off of amounts

ASIC-CI 2016/191, Clause 5(2)(f)

If the company is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and consequently the amounts in the directors' report and the financial report are rounded, that fact must be disclosed in the relevant eligible 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.

ASIC-CI 2016/191, Clause 5(2)(f)
AASB 1060:31(e)

The company is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest *[dollar / thousand dollars/ hundred thousand dollars / million dollars]*, unless otherwise indicated.

ASIC-CI 2016/191

Where the Corporations Instrument is applied, certain amounts 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. The relevant eligible report must clearly disclose on each page where amounts have been rounded and the extent to which those amounts have been rounded.

Not-for-profit private sector entities and public sector entities should only refer to the ASIC Corporations Instrument when they are preparing financial statements under the Corporations Act.

Information about the Company

AASB 1060:31(a)

Tier 2 Limited is a public company incorporated in Australia under the *Corporations Act 2001*.

AASB 1060:31(a)

[The Company changed its name from ____ Limited on _____].

AASB 1060:32(a)

The addresses of its registered office and principal place of business are as follows:

Registered office	**Principal place of business**
10th Floor	1st Floor
ALD Centre	167 Admin Ave
255 Deloitte Street	SYDNEY NSW 2000
SYDNEY NSW 2000	Tel: (02) 7010 2000
Tel: (02) 5550 7000	

AASB 1060:32(b)

The nature of the Group's operations and its principal activities are *[describe].*

Source

1. General information (continued)

Going concern basis

AASB 1060:14

When preparing financial statements, the management of an entity assesses the entity's ability to continue as a going concern. An entity is a going concern unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. In assessing whether the going concern basis is appropriate, management considers all available information about the future, which is at least, but is not limited to, twelve months from the reporting date.

AASB 1060:15

When management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern, the entity discloses those uncertainties.

AASB 1060:15

When an entity does not prepare financial statements on a going concern basis, it discloses that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.

Source

2. Changes in accounting policies and changes in estimates

Changes in accounting policies on initial application of Australian Accounting Standards

AASB 1060:106

When an amendment to an Australian Accounting Standard has an effect on the current period or any prior period, or might have an effect on future periods, an entity discloses the following:

- The nature of the change in accounting policy
- For the current period and each prior period presented, to the extent practicable, the amount of the adjustment for each financial statement line item affected
- The amount of the adjustment relating to periods before those presented, to the extent practicable
- An explanation if it is impracticable to determine the amounts to be disclosed.

Financial statements of subsequent periods need not repeat these disclosures.

The above information would usually be disclosed in the accounting policy note of the relevant item and the relevant note for the item, or in a change in accounting policy note.

AASB 1060:107

Where an entity has selected a transition option under another Standard and there are specific transition disclosure requirements in that Standard, the entity applies the full transition disclosure requirements in that Standard instead of the above requirements.

Example wording where the adoption of new pronouncements is not material

The disclosures in this section are only required where the impact of adopting new and revised Standards and Interpretations has a material on the financial statements. Where the Group/entity has adopted new and revised Standards and Interpretations but they do not have a material impact on the financial statements, below is example wording that can be included in the financial statements.

> The Group has applied all new and revised Standards and Interpretations effective for the current year that are relevant to the Group. None had a material impact on the Group's consolidated financial statements.

Source

2. Changes in accounting policies and changes in estimates (continued)

Changes in accounting policies on initial application of Australian Accounting Standards (continued)

AASB 1060:106

The Group has adopted all the new and revised Standards *[and Interpretations]* issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2024.

The new and revised Standards *[and Interpretations]* effective for the current year that are relevant to the Group are:

Pronouncement	Impact
AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*	Requires a seller-lessee to measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right-of-use it retains. The Group does not currently have sale and leaseback arrangements. The Group will apply the amendments if sale and leaseback arrangements are entered into in the future.
AASB 2023-3 *Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2*	Clarifies when liabilities should be presented as current or non-current in the statement of financial position, including the impact of covenants on that classification. Requires additional disclosures about the risk that non-current liabilities could become payable within twelve months after the reporting period because of difficulties with complying with the covenants. The amendments did not impact the classification of the Group's financial liabilities. Disclosures about covenants the Group is required to comply with are provided in Note 24.
AASB 2024-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements: Tier 2 Disclosures*	Requires the disclosure of information about the Group's supplier finance arrangements and their effect on the Group's liabilities and cash flows. Additional narrative disclosure is included in the financial statements (see Note 34) in respect of the Group's supplier finance arrangements.

Source

2. Changes in accounting policies and changes in estimates (continued)

Changes in accounting policies on initial application of Australian Accounting Standards (continued)

Pronouncements effective in the current period for not-for-profit and public sector entities

Pronouncement	Impact
AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*	Amends AASB 13 *Fair Value Measurement* to add authoritative implementation guidance and related illustrative examples, for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. As the Group is not a public sector entity, the Standard is not applicable to the Group and therefore did not have a material impact on the Group's consolidated financial statements.

Source

2. Changes in accounting policies and changes in estimates (continued)

Changes in accounting policies on initial application of Australian Accounting Standards (continued)

Voluntary changes in accounting policies

AASB 1060:108

When a voluntary change in accounting policy has an effect on the current period or any prior period, an entity shall disclose:

- The nature of the change in accounting policy
- The reasons why applying the new accounting policy provides reliable and more relevant information
- To the extent practicable, the amount of the adjustment for each financial statement line item affected, shown separately:
  - For the current period
  - For each prior year presented
  - In the aggregate for periods before those presented
- An explanation if it is impracticable to determine the amounts to be disclosed.

Financial statements of subsequent periods need not repeat these disclosures.

Disclosure of a change in estimate

AASB 1060:109

An entity discloses the nature of any change in an accounting estimate and the effect of the change on assets, liabilities, income and expense for the current period. If it is practicable for the entity to estimate the effect of the change in one or more future periods, the entity discloses those estimates.

Disclosure of prior period errors

AASB 1060:110

An entity shall disclose the following about prior period errors:

(a) The nature of the prior period error
(b) For each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected
(c) To the extent practicable, the amount of the correction at the beginning of the earliest prior period presented
(d) An explanation if it is not practicable to determine the amounts to be disclosed in (b) or (c).

Financial statements of subsequent periods need not repeat these disclosures.

Early adoption of Australian Accounting Standards

The following disclosure is recommended where an Australian Accounting Standard has been adopted early:

s.334(5)

'The directors have elected under s.334(5) of the *Corporations Act 2001* to apply Australian Accounting Standard AASB XX *[title]* for this financial year, even though the Standard is not required to be applied until annual reporting periods beginning on or after [date].'

Source

3. Judgements and key sources of estimation uncertainty

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, and by the significance of judgements and estimates made to the performance and financial position of the entity. Instead of disclosing this information in a separate note, it may be more appropriate to include such disclosures in the relevant note, or as part of the relevant accounting policy disclosures.

In the application of the Group's accounting policies, which are described in Note 46, the directors of the Group are required to make judgements, 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.

AASB 1060:96

Judgements made in applying 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 the financial statements.

Revenue recognition

Expenditure was required during 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 *[month]* to *[month]* 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 2027. In the light of the problems identified, management was required to consider whether it was appropriate to recognise the revenue from these transactions of $___ 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 AASB 15 *Revenue from Contracts with Customers* 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 provision for the rectification costs.

Revenue recognition

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 if 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

3. Judgements and key sources of estimation uncertainty (continued)

Judgements made in applying accounting policies (continued)

Business model assessment

Classification and measurement of financial assets depends on the results of the 'solely payments of principal and interest' (SPPI) and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Significant increase in credit risk

As explained in Note 46, expected credit losses (ECLs) 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. AASB 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.

Control over Tier 2 Sub No.3 Limited

AASB 1060:104(b) Tier 2 Sub No.3 Limited has been identified as a subsidiary of the Group even though the Group has only a 45% ownership interest and has only 45 % of the voting rights in Tier 2 Sub No.3 Limited. Tier 2 Sub No.3 Limited is listed on the ASX Limited. The Group has held its 45% ownership since June 2022 and the remaining ownership interests are held by thousands of shareholders that are unrelated to the Group.

The directors of the Company assessed whether or not the Group has control over Tier 2 Sub No.3 Limited based on whether the Group has the practical ability to direct the relevant activities of Tier 2 Sub No.3 Limited unilaterally. In making their judgement, the directors considered the Group's absolute size of holding in Tier 2 Sub No.3 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 Tier 2 Sub No.3 Limited and therefore the Group has control over Tier 2 Sub No.3 Limited.

If the directors had concluded that the 45 % ownership interest was insufficient to give the Group control, Tier 2 Sub No.3 Limited would instead have been classified as an associate and the Group would have accounted for it using the equity method of accounting.

Source

AASB 1060:97

3. Judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of 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 or elsewhere in the financial statements:

Taxation provisions

The Group's current tax provision of $ ____ 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 $ ____ 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 $ _____ to a reduction in liabilities of up to $ ____.

Impairment testing

Following the assessment of the recoverable amount of goodwill allocated to 'Leisure goods – retail outlets', to which goodwill of $ ____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 sector's 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.

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 ____% higher (lower) as at the end of the financial year, the loss allowance on trade receivables would have been $___ (2024: $___) higher (lower).

Source

3. Judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Calculation of loss allowance (continued)

If the ECL rates on trade receivables between 31 and 60 days past due had been ____% higher (lower) as at the end of the financial year, the loss allowance on trade receivables would have been $ ___ (2024: $___) higher (lower).

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company has set up a valuation committee, which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

The valuations of private equity investments, contingent consideration in business combinations and non-derivative financial assets held for trading are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year.

Provision for restoration of contaminated land

During June 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 $ ____ 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 $ ____ to a reduction in provisions of up to $ ____.

Source

3. Judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Assessment as to whether the right-of-use assets are impaired

In January 2019 *[Tier 2 Sub No.2 Pty Limited]*, a subsidiary of the Group, entered into a 10-year lease for an office building located in [*location*]. Following the acquisition of [*Tier 2 Sub No.6 Limited]* on [*date*] 2025 and the subsequent restructuring programme, the Group identified that the office space occupied by *[Tier 2 Sub No.*3 *Limited]*, which is also located in [*location*], could accommodate all of the staff of *[Tier 2 Sub No.2 Pty Limited*], and took the decision to relocate staff to a single office. The leased property previously occupied by *[Tier 2 Sub No.2 Pty 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 $ ____ at 30 June 2025 (2024: $ ____).

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 $ ____ against the right-of-use asset in respect of the property.

Source

4. Revenue

Source		30/06/2025 $'000	30/06/2024 $'000
	External revenue by product line		
AASB 1060:157(b)	Electronic equipment – direct sale customers		
AASB 1060:157(b)	Electronic equipment – wholesale customers		
AASB 1060:157(b)	Electronic equipment – internet customers		
AASB 1060:157(b)	Leisure goods – wholesale customers		
AASB 1060:157(b)	Leisure goods – retail customers		
AASB 1060:157(b)	Computer software installation		
AASB 1060:157(b)	Construction		
	Total		
	External revenue by timing of revenue		
AASB 1060:157(b)	Goods transferred at a point in time		
AASB 1060:157(b)	Goods transferred over time		
AASB 1060:157(b)	Services transferred at a point in time		
AASB 1060:157(b)	Services transferred over time		
	Total		

AASB 1060:159

Contract assets arising from contracts with customers giving rise to revenue are disclosed as part of 'other assets' (see note 21).

Information about revenue sources

AASB 1060:95

The Group recognises revenue from the following major sources:

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

AASB 1060:157(a)
AASB 1060:158

Information about the performance obligations arising under each of the above categories of revenue, including a description of when the Group typically satisfies its performance obligations, the significant payment terms, the nature of the goods and services provided, obligations for returns, refunds and other similar obligations, and types of warranties and related obligations is provided together with the accounting policies for revenue as set out below.

The revenue accounting examples that follow are generic and must be adapted to suit the specific circumstances of each entity. The entity should disclose information for each significant category of revenue recognised in the period including the methods adopted to determine the stage of completion of transactions involving the rendering of services.

Source

4. Revenue (continued)

Information about revenue sources (continued)

Sale of leisure goods (continued)

AASB 1060:157(a)

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 AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

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 on-selling 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.

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.

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.

Sale of electronic equipment

AASB 1060:157(a)

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.

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.

'Maxi-Points' customer loyalty programme

AASB 1060:157(a)

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.

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.

Source

4. Revenue (continued)

Information about revenue sources (continued)

Maintenance relating to electronic equipment

AASB 1060:157(a)
AASB 1060:158

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.

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. Discounts are not considered as they are only given in rare circumstances and are never material.

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).

Installation of software services

AASB 1060:157(a)
AASB 1060:158

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 AASB 15 *Revenue from Contracts with Customers*.

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.

Construction of residential properties

AASB 1060:157(a)
AASB 1060:158

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 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.

Source

4. Revenue (not-for-profit entities)

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:229	Government grant		
AASB 1060:229	Donations and bequests		
AASB 1060:229	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:

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:233	Included in contract liabilities from contracts with customers are capital grants received as follows:		
	Balance as at 1 July		
	Additional grants received during the year		
	Revenue recognised in profit or loss		
	Refunds during the year		
	Balance as at 30 June		

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).

Revenue recognition

AASB 1058.8-10

The Group recognises income from its main revenue/income streams, as listed below:

- Government grants
- Donations and bequests
- Capital grants.

AASB 1058.15-17

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).

Source

4. Revenue (not-for-profit entities) (continued)

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.

Source

5. Investment income and finance costs

Source		30/06/2025 $'000	30/06/2024 $'000
	Investment income		
AASB 1060:119(a)(iii)	Interest on financial assets measured at amortised cost:		
	- *[Describe]*		
AASB 1060:119(b)	Total interest income		
	Other investment income		
AASB 1060:119 (a)(v)	- Dividends received from equity investments designated at fair value through other comprehensive income		
	- Other *[describe]*		
	Finance costs		
AASB 1060:119(a)(iv), 119(b)	Interest on financial liabilities measured at amortised cost:		
	- Interest on bank overdrafts and loans		
	- Interest on convertible loan notes		
	- Interest on obligations under leases		
	- Other *[describe]*		
AASB 1060:162	Less: amounts included in the cost of qualifying assets		
AASB 1060:119(b)	Total interest on financial liabilities not measured at fair value through profit or loss		
	Unwinding of discounts on provisions		
	Net interest expense on defined benefit obligations		
	Other finance costs *{describe]*		

Source

6. Other gains and losses

Source		30/06/2025 $'000	30/06/2024 $'000
	Gain on disposal of property, plant and equipment		
	Gain arising on effective settlement of legal claim against the distribution business		
AASB 1060:132(e)(ii)	Change in fair value of investment property		
	Gain recognised on disposal of interest in former associate		
AASB 1060:119(a)(i)	Net gain/(loss) on financial assets measured at fair value through profit or loss (i)		
AASB 1060:119(a)(ii)	Net gain/(loss) on financial liabilities measured at fair value through profit or loss (ii)		
AASB 1060:119(a)(iii)	Net gain/(loss) from the derecognition of financial assets measured at amortised cost		
AASB 1060:119(a)(iv)	Net gain/(loss) from the derecognition of financial liabilities measured at amortised cost		
AASB 1060:119 (a)(vi)	Net gain/(loss) from the reclassification of financial assets from fair value through other comprehensive income to fair value through profit and loss		
AASB 1060:160(a)	Government grants received (see note 28):		
AASB 1060:160(a)	- Government business development program grant *[describe]*		
AASB 1060:160(a)	- Staff re-training		
AASB 1060:160(a)	- Other *[describe}*		
AASB 1060:180(a)	Net foreign exchange gains/(losses)		
AASB 1060:122(e)	Hedge ineffectiveness on cash flow hedges		
AASB 1060:122(e)	Hedge ineffectiveness on net investment hedges		
AASB 1060:119(c)	Impairment losses on financial assets:		
AASB 1060:119(c)	- Trade receivables		
AASB 1060:119(c)	- Other financial assets measured at amortised cost		
AASB 1060:119(c)	- Debt investments measured at fair value through other comprehensive income		
AASB 1060:119(c)	- Loss allowance on amounts due from contract assets		
AASB 1060:119(c)	- *[describe]*		

Source	7. Income tax	30/06/2025 $'000	30/06/2024 $'000
AASB 1060:176			
AASB 1060:177	**Income tax expense (income) comprises:**		
AASB 1060:178B	Current tax expense (income) – Pillar Two income taxes		
	Current tax expense (income) – other:		
AASB 1060:177(a)	- Current year		
AASB 1060:177(b)	- Adjustments in respect of prior years		
	Deferred tax expense (income) relating to:		
AASB 1060:177(c)	- Origination and reversal of temporary differences		
AASB 1060:177(d)	- Changes in tax rates and the imposition of new taxes		
AASB 1060:177(e)	- Benefit of previously unrecognised tax losses, tax credits or temporary differences		
AASB 1060:177(f)	- Adjustments due to changes in tax status of the entity or its shareholders		
AASB 1060:177(g)	- Write-down (reversal) of deferred tax assets		
	- Adjustment in respect of prior years		
AASB 1060:177(h)	Tax expense (income) relating to changes in accounting policies and errors included in profit or loss		
AASB 1060:178(c)(ii)	**Reconciliation of prima-facie income tax to tax expense**		
	Profit before tax		
	Tax at the rate of ____ % (2024: ____ %)		
	Tax effect of share of result of joint ventures		
AASB 1060:178(c)(ii)	Expenses not deductible in determining taxable profit		
AASB 1060:178(c)(ii)	Non-assessable income		
	Tax effect of tax losses and tax credits not previously recognised		
	Change in recognised deferred tax assets		
	Effect of different tax rates of subsidiaries operating in other tax jurisdictions		
	Other *[describe]*		
	Tax expense for the year		

AASB 1060:178(c)

AASB 1060 requires an explanation of the relationship between tax expense (income) and accounting profit in either or both of the following forms:

- A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s), disclosing also the basis on which the applicable tax rate(s) is (are) computed
- A numerical reconciliation between the average effective tax rate and the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed.

Source

7. Income tax (continued)

AASB 1060:178(d) The standard rate of corporation tax applied to taxable profit is ___ % (2024: ___ %). The applicable rate has changed following the substantive enactment of the *[describe]*.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Income tax recognised outside of profit or loss

Source		30/06/2025 $'000	30/06/2024 $'000
	Aggregate current and deferred tax related to:		
AASB 1060:178(a)	- Items that are recognised in other comprehensive income		
AASB 1060:178(b)	- Items charged or credited directly to equity		

Pillar Two top up taxes

AASB 112:4A The Group is within the scope of the Pillar Two tax that that has been substantively enacted in Australia and many of the jurisdictions in which the Group operates. The Australian Pillar Two legislation (which applies to the company as the ultimate parent entity) applies the Income Inclusion Rule (IIR) and Qualifying Domestic Minimum Top-up Tax (QDMTT) to income years commencing on or after 1 January 2024 and the Undertaxed Profits Rule (UPR) to income years commencing on or after 1 January 2025.

AASB 1060:178B
AASB 1060:176 The current tax arising under the IIR and QDMTT for the current year *[are not material / amounted to $ ___]*. As the company is not controlled by any other entity, the Group has no exposure to the UPR in future periods.

AASB 1060:178A The Group has also applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The example above indicates no potential exposure to Pillar Two income taxes under the Undertaxed Profits Rule (UPR). Where the entity is a subsidiary of a foreign corporation which operates in a jurisdiction where Pillar Two has not been enacted, additional disclosure about the impacts of the UPR may be needed. The illustrative example below can be adapted to the entity's specific circumstances:

> The Group is within the scope of the Pillar Two tax that that has been substantively enacted in Australia and many of the jurisdictions in which the Group operates. The Australian Pillar Two legislation (which applies to the Group) applies the Income Inclusion Rule (IIR) and Qualifying Domestic Minimum Top-up Tax (QDMTT) to income years commencing on or after 1 January 2024 and the Undertaxed Profits Rule (UPR) to income years commencing on or after 1 January 2025.
>
> There is no current tax arising under the IIR and QDMTT in the current year and, based on analysis of forecast information, none is expected in future periods. *[Alternatively, explain the amount as illustrated above.]*
>
> As Tier 2 Limited is controlled by an entity incorporated in *[Country A]* which has not enacted Pillar Two legislation, there is potential exposure to Pillar Two taxes arising under the UPR in future periods.
>
> The Group has a performed the necessary analysis in preparation for complying with the UPR rules for the income year ending on 30 June 2026. Based on the analysis derived from information in respect of the financial year ended 30 June 2025, the Group *[does not expect any potential exposure to Pillar Two top up taxes / expects an immaterial exposure to UPR liabilities in the future / explain the likely impacts]*.

For more information and illustrative disclosures see our Clarity publication *Responding to Pillar Two.*

Source

8. Assets held for sale

Disposal of the *[describe]* business

AASB 1060:47(a), (b)

On *[date]* 2025, the directors announced a plan to dispose of the Group's *[describe]* business (2024: none). The disposal is consistent with the Group's long-term policy to focus its activities in the *[describe]* and *[describe]* markets. The Group entered into a binding agreement on *[date]* to dispose of the business and expects to complete the sale by *[date]*. The Group has not recognised any impairment losses in respect of the *[describe]* business.

AASB 1060:47(a)
AASB 5.38

Carrying amounts of assets and liabilities to be disposed

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:47(a)	Contract assets		
AASB 1060:47(a)	Trade receivables		
AASB 1060:47(a)	Inventories		
AASB 1060:47(a)	Property, plant and equipment		
AASB 1060:47(a)	Goodwill		
	Assets of [describe] business to be disposed		
AASB 1060:47(a)	Trade payables		
AASB 1060:47(a)	Current tax liabilities		
AASB 1060:47(a)	Deferred tax liabilities		
	Liabilities of [describe] business to be disposed		
	Net assets of *[describe]* to be disposed		

AASB 1060:47(a)

Where, at the reporting date, an entity has any assets classified as held for sale, or assets and liabilities that are included in a disposal group that is classified as held for sale, the entity is required to disclose a description of the asset(s) or the group of assets and liabilities.

The example above provides this information by way of a table outlining the carrying amounts of the various assets and associated liabilities of the group to be disposed. Other approaches may also be appropriate in meeting the requirements of AASB 1060. In addition, entities may wish to provide additional information about the performance of disposal groups if useful to users of the financial statements.

Source

9. Trade and other receivables

Source		30/06/2025 $'000	30/06/2024 $'000
	Current		
	Trade receivables:		
AASB 1060:44(b)	- Due from related parties		
AASB 1060:44(b)	- Due from other parties		
AASB 1060:119(c)	Loss allowance		
AASB 1060:113(b)	Trade receivables at amortised cost		
	Deferred sales proceeds – disposal of business		
	Operating lease receivable		
AASB 1060:113(b)	Amounts due from related parties		
	Other *[describe]*		

AASB 1060:114 The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables

Source

10. Finance lease receivables

Source		30/06/2025 $'000	30/06/2024 $'000
	Finance lease receivables		
AASB 1060:147(d)	Less: Accumulated allowance for uncollectable minimum lease payments receivable		
	Current (recoverable within 12 months)		
	Non-current (recoverable after 12 months)		

Description of the Group's finance lease arrangements

AASB 1060:147(f) The Group enters 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. Variable lease payments arise in relation to a usage charge for each test undertaken by the lessee using the leased equipment.

AASB 1060:147(c) Residual value risk on the equipment under the lease is not significant, because of the existence of a secondary market with respect to the equipment.

AASB 1060:147(e) During the year, income of $ ____ (2024: $ ____) was recognised in relation to variable lease payments which were not included in the measurement of the net investment in the lease.

AASB 1060:147(a)

Amounts receivable under finance leases

Source		Investment in the lease		Minimum lease payments	
		30/06/2025 $'000	30/06/2024 $'000	30/06/2025 $'000	30/06/2024 $'000
AASB 1060:147(a)(i)	Not later than one year				
AASB 1060:147(a)(ii)	Later than one year and not later than five years				
AASB 1060:147(a)(iii)	Later than five years				
AASB 1060:147(b)	Less: unearned finance income				
AASB 1060:147(a)	Present value of minimum lease payments receivable				
AASB 1060:147(d)	Impairment loss allowance				
	Net investment in the lease				

Source

11. Other financial assets

Source		30/06/2025 $'000	30/06/2024 $'000
	Categories of financial assets		
AASB 1060:113(a)	**Financial assets measured at fair value through profit or loss (FVTPL)**		
	Shares		
	Foreign currency forward contracts		
	Interest rate swaps		
	Commodity options		
	Other *[describe]*		
AASB 1060:113(e)(i)	**Investments in debt instruments classified as at fair value through other comprehensive income (FVTOCI)**		
	Redeemable cumulative preference shares		
	Other *[describe]*		
AASB 1060:113(e)(ii)	**Investments in equity instruments designated as at FVTOCI**		
	Investment in unlisted shares		
	Other *[describe]*		
AASB 1060:113(b)	**Financial assets measured at amortised cost**		
	Bills of exchange		
	Debentures		
	Loans to related parties		
	Loans to other entities		
	Current		
	Non-current		

Source

11. Other financial assets (continued)

Financial assets measured at fair value

AASB 1060:115

Some of the Group's financial assets 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 are determined:

Financial asset	Valuation techniques and key inputs
Shares	Quoted bid prices in an active market.
Foreign currency forward contracts and interest rate swaps	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.
Commodity options	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 percent of a year), implied volatility of the commodity and the relevant risk-free rate (RFR).
Redeemable notes	Discounted cash flow at a discount rate of ____ % (2024: ____ %) that reflects the current market rate at the end of the reporting period.
Investment in unlisted shares	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. Significant unobservable inputs include: • Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from ____ % to ____ % (2024: ____ % to ____ %) • Long-term pre-tax operating margin taking into account management's experience and knowledge of market conditions of the specific industries, ranging from ____ % to ____ % (2024: ____ % to ____ %) • Weighted average cost of capital, determined using a Capital Asset Pricing Model, ranging from ____ % to ____ % (2024: ____ % to ____ %) • Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, ranging from ____ % to ____ % (2024: ____ % to ____ %).

AASB 1060:116

For all financial assets and financial liabilities measured at fair value, the entity discloses the basis for determining fair value, for example, quoted market price in an active market or a valuation technique. When a valuation technique is used, the entity discloses the assumptions applied in determining fair value for each class of financial assets or financial liabilities. For example, if applicable, the entity discloses information about the assumptions relating to prepayment rates, rates of estimated credit losses, and interest rates or discount rates.

There is no further explicit guidance provided on the extent of the disclosures required to comply with these requirements. Accordingly, each entity should exercise judgement to develop disclosures that are appropriate for the nature of the entity's operations, the significance of financial instruments to the entity, and the nature of the key assumptions on which financial instruments have been measured.

AASB 1060:2

Entities are permitted to refer to other Standards for guidance on the requirements in AASB 1060, including AASB 13 *Fair Value Measurement*. Therefore, some of the disclosures required by AASB 13 may be a useful reference in developing disclosures to meet these requirements.

Source

11. Other financial assets (continued)

Derecognition

AASB 1060:116

If the entity has transferred financial assets to another party in a transaction that does not qualify for derecognition (see paragraph 3.2.15 of AASB 9 *Financial Instruments*), the entity discloses the following for each class of such financial assets:

- The nature of the assets
- The nature pf the risks and rewards of ownership to which the entity remains exposed
- The carrying amounts of the assets and of any associated liabilities that the entity continues to recognise.

12. Inventories

Source		30/06/2025 $'000	30/06/2024 $'000
	Carrying amounts		
AASB 1060:44(c)(i)	Finished goods		
AASB 1060:44(c)(ii)	Work in process		
AASB 1060:44(c)(iii)	Raw materials and supplies		
AASB 1060:123(b)			

AASB 1060:123(b)
AASB 1060:44(c)

Entities may wish to present alternate categories of inventories in addition to, or instead of the categories listed above in order to show categories that are appropriate to the entity. In this case, it is necessary to also disclose the broad categories shown above in order to meet the requirements of paragraph 44(c) of AASB 1060.

Source		30/06/2025 $'000	30/06/2024 $'000
	Other information		
AASB 1060:123(c)	Amount of inventories recognised as an expense during the period		
AASB 1060:123(d)	Impairment losses recognised (reversed) in profit or loss		
AASB 1060:123(e)	Total carrying amount of inventories pledged as security for liabilities		

Source

13. Investments in associates

Source		30/06/2025 $'000	30/06/2024 $'000
	Measured using the equity method		
	Measured using the cost method		
	Measured at fair value through profit or loss		
AASB 1060:125(b)	Carrying amount of investments in associates		

AASB 1060:91(c)
AASB 1060:2

Where investments in associates are material to the financial statements, entities may wish to provide additional information about the associates. In this case, the disclosure requirements in AASB 12 *Disclosure of Interests in Other Entities* may be a useful guide in determining the additional disclosures to provide.

Other information about associates measured using the equity method

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:125(c)	Fair value of investments in associates for which there are published price quotations		
AASB 1060:127	Share of profit or loss of associates		
AASB 1060:127	Share of discontinued operations of associates		

AASB 1060:126 For investments in associates accounted for by the cost model, an investor discloses the amount of dividends and other distributions recognised as income.

AASB 1060:128 For investments in associates accounted for in accordance with AASB 9 *Financial Instruments*, an investor makes disclosures about financial instruments (i.e. in accordance with AASB 1060:113-115, see examples in Note 11).

AASB 1060:170(e)

Impairment losses/(reversals of impairment losses)

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:169(a)	Impairment losses recognised in profit or loss during the period (i)		
AASB 1060:169(b)	Reversals of impairment losses recognised in profit or loss during the period (ii)		

AASB 1060:169(a) (i) The impairment losses arising in the current period have been included in the profit or loss in the [*other expenses]* line item in the consolidated statement of comprehensive income.

AASB 1060:169(b) (ii) The reversals of impairment losses arising in the prior period have been included in the profit or loss in the [*other expenses]* line item in the consolidated statement of comprehensive income.

Source

14. Investments in joint ventures

Source		30/06/2025 $'000	30/06/2024 $'000
	Measured using the equity method		
	Measured at fair value through profit or loss		
AASB 1060:129(b)			

AASB 1060:91(c)
AASB 1060:2

Where investments in joint ventures are material to the financial statements, entities may wish to provide additional information about those investments. In this case, the disclosure requirements in AASB 12 *Disclosure of Interests in Other Entities* may be a useful guide in determining the additional disclosures to provide.

Other information

Source	
AASB 1060:129(c)	Fair value of investments in joint ventures for which there are published price quotations*
AASB 1060:130	Share of profit or loss of joint ventures*
AASB 1060:130	Share of discontinued operations of joint ventures*
AASB 1060:129(d)	Aggregate amount of commitments relating to joint ventures
	- Capital commitments incurred jointly with other venturers
	- Capital commitments of the joint ventures themselves

AASB 1060:130,.127 — * *This disclosure is only required for investments in joint ventures accounted for using the equity method.*

AASB 1060:170(f)

Impairment losses/(reversals of impairment losses)

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:169(a)	Impairment losses recognised in profit or loss during the period (i)		
AASB 1060:169(b)	Reversals of impairment losses recognised in profit or loss during the period (ii)		

AASB 1060:169(a) — (i) The impairment losses arising in the current period have been included in the profit or loss in the [*other expenses]* line item in the consolidated statement of comprehensive income.

AASB 1060:169(b) — (ii) The reversals of impairment losses arising in the prior period have been included in the profit or loss in the [*other expenses]* line item in the consolidated statement of comprehensive income.

AASB 1060:131

For investments in associates accounted for at fair value through profit or loss in accordance with AASB 9, the venturer makes disclosures about financial instruments (i.e. in accordance with AASB 1060:113-115, see examples in Note 11).

Source

15. Property, plant and equipment

Source		30/06/2025 $'000	30/06/2024 $'000
	Carrying amounts		
AASB 1060:44(a)	Freehold land		
AASB 1060:134(a), (d)	- At fair value		
AASB 1060:134(d)	- Accumulated impairment		
AASB 1060:44(a)	Buildings		
AASB 1060:134(a), (d)	- At fair value		
AASB 1060:134(d)	- Accumulated depreciation and impairment		
AASB 1060:44(a)	Plant and equipment		
AASB 1060:134(a), (d)	- At cost		
AASB 1060:134(d)	- Accumulated depreciation and impairment		

Movement in carrying amount

Source		Freehold land at fair value $'000	Buildings at fair value $'000	Plant and equipment at cost $'000	Total $'000
AASB 1060:134(e)	***Balance at 1 July 2024***				
AASB 1060:134(e)(i)	Additions (1)				
AASB 1060:134(e)(ii)	Classified as held for sale				
AASB 1060:134(e)(ii)	Other disposals				
AASB 1060:134(e)(iii)	Acquisitions through business combinations				
AASB 1060:134(e)(iv)	Increases/(decreases) from revaluations				
AASB 1060:134(e)(v)	Transfers (to)/from investment property				
AASB 1060:134(e)(vi)	Impairment losses				
AASB 1060:134(e)(vii)	Depreciation				
AASB 1060:134(e)(viii)	Other changes *[describe]*				
AASB 1060:134(e)	***Balance at 30 June 2025***				

AASB 1060:134(e) The above reconciliation need not be presented for prior periods

AASB 1060:162 (1) Includes $ ____ (2024: $ ____) of capitalised borrowing costs

Source

15. Property, plant and equipment (continued)

Depreciation

AASB 1060:134(b) Depreciation of the building and plant and equipment is recognised on a straight-line basis in accordance with the accounting policy in Note 46.

AASB 1060:134(c) The following useful lives are used in the calculation of depreciation:

- Buildings 20 – 30 years
- Plant and equipment 5 – 15 years

AASB 1060:170(a) Impairment losses/(reversals of impairment losses)

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:169(a)	Impairment losses recognised in profit or loss during the period (i)		
AASB 1060:169(b)	Reversals of impairment losses recognised in profit or loss during the period (ii)		

AASB 1060:169(a) (i) The impairment losses arising in the current period have been included in the profit or loss in the [*other expenses/cost of sales]* line item in the consolidated statement of comprehensive income.

AASB 1060:169(b) (ii) The reversals of impairment losses arising in the prior period have been included in the profit or loss in the [*other expenses/cost of sales]* line item in the consolidated statement of comprehensive income.

Fair value measurement of the Group's freehold land and buildings

AASB 1060:134(a) 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.

AASB 1060:136(a)-(c) The fair value measurements of the Group's freehold land and buildings as at 30 June 2025 and 30 June 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.

AASB 1060:136(c) 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]*.

AASB 1060:136(c) The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence/other methods *[describe]. [Describe the valuation techniques and the inputs used in determining the fair value.]*

There has been no change to the valuation technique during the year.

Assets pledged as security

AASB 1060:135(a) Freehold land and buildings with a carrying amount of $ ____ (2024: $ ____) have been pledged to secure borrowings of the Group. Under the terms of the financing facilities, the Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Source

15. Property, plant and equipment (continued)

Commitments

AASB 1060:135(b) The Group has the following contractual commitments for the acquisition of property, plant and equipment: *[describe]*

AASB 1060:149

16. Investment property

Source		30/06/2025 $'000
	At fair value	
AASB 1060:132(e)	Opening balance at 1 July 2024	
AASB 1060:132(e)(i)	Additions:	
AASB 1060:132(e)(i)	- Direct acquisitions	
AASB 1060:132(e)(i)	- Arising from business combination	
AASB 1060:132(e)(ii)	Net gains (losses) from fair value adjustments	
AASB 1060:132(e)(iii)	Transfers:	
AASB 1060:132(e)(iii)	- (To)/from investment property carried at cost	
AASB 1060:132(e)(iv)	- (To)/from inventories	
AASB 1060:132(e)(iv)	- (To)/from owner-occupied property	
AASB 1060:132(e)(v)	Other changes *[describe]*	
	Closing balance at 30 June 2025	

AASB 1060:132(e) The above reconciliation need not be presented for prior periods

Group as lessor in operating leases

AASB 1060:148(c) The Group's properties held for rental purposes, are expected to generate rental yields of ___ % on an ongoing basis. All of the properties held have committed tenants for the next *[number]* years. 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. Variable lease payments arise in respect of *[describe]*.

AASB 1060:148(a) At reporting date, the Group had contracts with tenants for the following future minimum lease payments:

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:148(a)(i)	Within one year		
AASB 1060:148(a)(ii)	In the second to fifth years inclusive		
AASB 1060:148(a)(iii)	Later than five years		
AASB 1060:147(e)	Income from variable lease payments not included in the measurement of the lease		

Other information

AASB 1060:132(a) In estimating the fair value of the properties, the highest and best use of the properties is their current use. *[Describe the methods and significant assumptions applied in determining the fair value of investment property].*

Source

16. Investment property (continued)

Other information (continued)

AASB 1060:132(b) The fair value of the Group's investment property at 30 June 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 an income capitalisation approach taking into account:

- The capitalisation rate (____ %, 2024: ____ %) takes into account the capitalisation of rental income potential, the nature of the property and prevailing market conditions
- Monthly market rent, taking into account differences in location and individual factors, such as frontage and size, between comparable properties and the property, at an average of ____ (2024: ____) per square metre per month.

[Other alternatives might include: "based on the market comparable approach that reflects recent transaction prices for similar properties/other methods [describe]"].

AASB 1060:132(c) The Group has pledged all of its investment property to secure general banking facilities granted to the Group. In accordance with the terms of these banking facilities, the Group cannot realise more than 25% of its investment property portfolio in any financial year without permission from the financier.

AASB 1060:132(d) 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 $ ____ .

AASB 1060:135(c) If the entity has investment property whose fair value cannot be measured reliably is discloses that fact and the reasons why fair value cannot be measured reliably for those items of investment property

Source

17. Right-of-use assets

Source		30/06/2025 $'000	30/06/2024 $'000
	Net carrying amounts		
AASB 1060:144(a)	Buildings		
AASB 1060:144(a)	Plant		
AASB 1060:144(a)	Equipment		

AASB 1060:145 Movement during the period*

Source		Buildings $'000	Plant $'000	Equipment $'000	Total $'000
	Balance at 1 July 2024*				
AASB 1060:134(e)(i)	Additions				
AASB 1060:134(e)(vii)	Depreciation				
	Other changes *[describe*]*				
	Balance at 30 June 2025*				

AASB 1060:145

* *Note that AASB 1060 only requires the disclosure of the additions and depreciation during the period, rather than a reconciliation of all movements between the opening and closing balances. Entities may wish to provide additional information, such as is provided for property, plant and equipment (see Note 15). Other approaches may also be acceptable.*

Depreciation

AASB 1060:134(b)

Depreciation of the right-of-use assets is recognised on a straight-line basis in accordance with the accounting policy in Note 46.

AASB 1060:134(c)

The following useful lives are used in the calculation of depreciation:

- Buildings 20 – 30 years
- Plant and equipment 5 – 15 years

Right-of-use assets measured on the revaluation basis

AASB 1060:145
AASB 1060:136

Where right-of-use assets are measured at revalued amounts, an entity discloses:

- The effective date of the revaluation
- Whether an independent valuer was involved
- The methods and significant assumptions applied in estimating the items' fair values
- The revaluation surplus, including the change for the period and any restrictions on the distribution of the balance to shareholders.

Source

18. Biological assets

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:204(a)	**At fair value less costs to sell**		
AASB 1060:204(a)	Crops		
AASB 1060:204(a)	Livestock		
AASB 1060:204(a)	Other *[describe]*		

AASB 1060:204(c) **Movement in carrying amount**

Source		Crops $'000	Livestock $'000	Other $'000	Total $'000
AASB 1060:204(c)	***Balance at 1 July 2024***				
AASB 1060:204(c)(i)	Gain (loss) arising from changes in fair value less costs to sell				
AASB 1060:204(c)(ii)	Purchases				
AASB 1060:204(c)(iii)	Decreases from harvests				
AASB 1060:204(c)(iv)	Increases from business combinations				
AASB 1060:204(c)(v)	Exchange differences				
AASB 1060:204(c)(vi)	Other changes *[describe]*				
AASB 1060:204(c)	***Balance at 30 June 2025***				

AASB 1060:204(c) The above reconciliation need not be presented for prior periods

Additional information

AASB 1060:204(b) An entity discloses the methods and significant assumptions applied in determining the fair value of each category of agricultural produce at the point of harvest and each category of biological assets.

Biological assets measured using the cost model

AASB 1060:205 An entity discloses the following with respect to its biological assets measured using the cost model:

- A description of each class of its biological assets
- An explanation of why fair value cannot be measured reliably
- The depreciation method used
- The useful lives or the depreciation rates used
- The gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period.

Source

19. Goodwill

	30/06/2025 $'000	30/06/2024 $'000
Carrying amount (at cost)		
Gross carrying amount		
Accumulated impairment losses		

The above breakdown of carrying amount is not specifically required by AASB 1060, but is included in these illustrative financial statements for consistency with other notes of a similar nature.

Movement in carrying amount

Source		30/06/2025 $'000
AASB 1060:143	***Balance at 1 July 2024***	
AASB 1060:143(a)	Changes arising from business combinations	
AASB 1060:143(b)	Impairment losses	
AASB 1060:143(c)	Disposals of previously acquired businesses	
AASB 1060:143(d)	Other changes *[describe]*	
AASB 1060:143	***Balance at 30 June 2025***	

AASB 1060:143 The above reconciliation need not be presented for prior periods

AASB 1060:170(c)

Impairment losses

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:169(a)	Impairment losses recognised in profit or loss during the period (i)		

AASB 1060:169(b) (i) The impairment losses arising in the current period have been included in the profit or loss in the *[other expenses/describe]* line item in the comprehensive statement of comprehensive income.

Source

20. Other intangible assets

Source		30/06/2025 $'000	30/06/2024 $'000
	Carrying amount		
	Capitalised development		
AASB 1060:137(c),	- At cost		
AASB 1060:137(c),	- Accumulated amortisation and impairment		
	Patents		
AASB 1060:137(c),	- At cost		
AASB 1060:137(c),	- Accumulated amortisation and impairment		
	Licences		
AASB 1060:137(c),	- At cost		
AASB 1060:137(c),	- Accumulated amortisation and impairment		

Movements in carrying amount

Source		Capitalised development $'000	Patents $'000	Licences $'000	Total $'000
AASB 1060:137(e)	***Balance at 1 July 2024***				
AASB 1060:137(e)(i)	Additions				
AASB 1060:137(e)(ii)	Assets classified as held for sale				
AASB 1060:137(e)(ii)	Other disposals				
AASB 1060:137(e)(iii)	Acquisitions through business combinations				
AASB 1060:137(e)(iv)	Increases/(decreases) from revaluations*				
AASB 1060:137(e)(iv)	Impairment losses (reversals) recognised in other comprehensive income*				
AASB 1060:137(e)(vi)	Impairment losses (reversals) recognised in profit or loss				
AASB 1060:137(e)(v)	Amortisation				
AASB 1060:137(e)(vii)	Other changes *[describe]*				
	Balance at 30 June 2025				

AASB 1060:137(e)

The above reconciliation need not be presented for prior periods.

* *These items would only be applicable where the entity uses the revaluation method under AASB 138 'Intangible Assets'.*

Source

20. Other intangible assets (continued)

Amortisation

AASB 1060:137(b) Amortisation of intangible assets is recognised on a straight-line basis.

AASB 1060:137(a) The following useful lives are used in the calculation of amortisation.

- Capitalised development 5 years
- Patents 10 – 20 years
- Licences 20 years

AASB 1060:137(d) The amortisation expense is recognised in the 'Depreciation and amortisation expenses' in the *[statement of profit or loss and other comprehensive income / the statement of profit or loss and the statement of comprehensive income / statement of income and retained earnings]*

The above wording should reflect the actual line item used, and refer to the type of consolidated statement of comprehensive income that is prepared

AASB 1060:170(d)

Impairment losses/(reversals of impairment losses)

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:169(a)	Impairment losses recognised in profit or loss during the period (i)		
AASB 1060:169(b)	Reversals of impairment losses recognised in profit or loss during the period (ii)		

AASB 1060:169(a) (i) The impairment losses arising in the current period have been included in the profit or loss in the [*other expenses/cost of sales]* line item in the consolidated statement of comprehensive income.

AASB 1060:169(b) (ii) The reversals of impairment losses arising in the prior period have been included in the profit or loss in the [*other expenses/cost of sales]* line item in the consolidated statement of comprehensive income.

Material intangibles

AASB 1060:138(a) The Group holds a patent for the manufacture of *[describe]* equipment. The carrying amount of the patent of $ ____ (2024: $ _____) will be fully amortised in 14 years (2024: 15 years).

Intangible assets acquired through government grant

AASB 1060:138(b) During the year, the Group obtained a *[describe the intangible asset]* by way of government grant under a government business development program (2024: no grant). This intangible was recognised at its fair value of $ ____ on the acquisition date and has a carrying amount of $ ____ at 30 June 2025 (2024: $ nil).

Commitments

AASB 1060:138(d) The Group has the following contractual commitments for the acquisition of intangible assets: *[describe]*

Research and development

AASB 1060:139 An entity discloses the aggregate amount of research and development expenditure recognised as an expense during the period. Research and development expenditure comprises all expenditure that is directly attributable to research or development activities. (See paragraphs 66 and 67 of AASB 138 *Intangible Assets* for guidance on the type of expenditure to be included for the purpose of this disclosure requirement).

Source

20. Other intangible assets (continued)

Intangible assets measured on the revaluation basis

AASB 1060:140

If items of intangible assets are stated at revalued amounts[28], an entity discloses the following:

- The effective date of the revaluation
- Whether an independent valuer was involved
- The methods and significant assumptions applied in estimating the items' fair values
- The revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders
- Increases or decreases during the period resulting from revaluations and for impairment losses recognised or reversed in other comprehensive income accordance with AASB 136 *Impairment of Assets*.

Intangible assets with indefinite useful lives

AASB 1060:141

An entity discloses for an intangible asset assessed as having an indefinite useful life, the carrying amount of that asset and the reasons supporting the assessment of an indefinite useful life. In giving those reasons, the entity describes the factor(s) that played a significant role in determining that the asset has an indefinite useful life.

Restricted title and pledged assets

AASB 1060:138(c)

The entity discloses the existence and carrying amount of intangible assets to which the entity has restricted title or that are pledged as security for liabilities.

21. Other assets

Source		30/06/2025 $'000	30/06/2024 $'000
	Prepayments		
AASB 1060:44(b)	Arising in relation to revenue from contracts with customers:		
AASB 1060:159	- Contract assets		
AASB 1060:44(b) AASB 15:105 AASB 1060:159	- Costs to obtain a contract		
	Other *[describe]*		
	Current		
	Non-current		

[28] In the Australian context, it would be rare that an intangible asset would be measured using the revaluation basis. ASIC has noted concerns about the revaluation of intangible assets in its published results of reviews of financial reports over a number of periods. For example, ASIC media release 11-*312MR* *Improved financial information for investors and others* noted "ASIC is not aware of any identifiable intangible assets for which an active market exists in Australia".

Source

22. Trade and other payables

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:44(d)	Trade payables		
AASB 1060:119(b)(i)	- Amounts that are part of supplier finance arrangements (see Note 34)		
	- Other		
AASB 1060:44(d)	Payables to related parties		
AASB 1060:44(d), 159	Contract liabilities from contracts with customers		
AASB 1060:44(d)	Accruals		
AASB 1060:168(b)	Cash-settled share-based payments		
	Other *[describe]*		

23. Lease liabilities

	30/06/2025 $'000	30/06/2024 $'000
Secured		
Current		
Non-current		

Significant leasing arrangements

AASB 1060:144(c)

Lease liabilities are secured by the assets leased and represent the discounted future rentals payable by the Group for:

- Certain of its office properties and leased property, plant and equipment. These leases are negotiated for an average term of *[number]* years and rentals are fixed for an average of *[number]* years with an option to extend for a further [number] years at the then prevailing market rate
- Leases of plant and equipment used in the Group's manufacturing facilities. These are negotiated on an average term not exceeding 10 years and are priced on a mix of variable and fixed interest rates.

Future minimum lease payments

AASB 1060:144(b)

The future minimum lease payments arising under the Group's lease contracts at the end of the reporting period are as follows:

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:144(b)(i)	Not later than one year		
AASB 1060:144(b)(ii)	Later than one year and not later than five years		
AASB 1060:144(b)(iii)	Later than five years		

Source

23. Lease liabilities (continued)

Short-term leases and leases of low value assets

AASB 1060:146

A lessee makes the following disclosures for short-term leases and leases of low-value assets that are not recognised as right-of-use assets under the exemption in paragraph 6 of AASB 16 *Leases*:

- The amount of its lease commitments for short-term leases if the portfolio of short-term leases to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expense disclosed relates
- Lease payments recognised as an expense.

Concessionary leases

AASB 1060:151

The Group leases a building from the *[Name of State, e.g. New South Wales]* State Government with 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 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 46, the Group has elected to measure this lease at cost.

Source

24. Other borrowings

	30/06/2025 $'000	30/06/2024 $'000
Unsecured – at FVTPL		
Redeemable preference shares (i)		
Other *[describe]*		
Unsecured – at amortised cost		
Bank overdrafts (ii)		
Bills of exchange (iii)		
Bank loans (iv)		
Loans from:		
- Related parties (v)		
- Government (vi)		
Perpetual notes (vii)		
Supplier finance arrangements (see Note 34)		
Other *[describe]*		
Secured – at amortised cost		
Bank overdrafts (ii)		
Bank loans (iv)		
Other *[describe]*		
AASB 1060:113(d)		
Current		
Non-current		

Information about the Group's borrowings

AASB 1060:114 The principal features of the Group's borrowings are as follows:

AASB 1060:114 (i) Redeemable preference shares of $ ___ were issued on *[date]* at an issue price of $ ___ per share. The shares carry ___ % non-discretionary dividends and are mandatorily redeemable on *[date]* at $ ____ per share. The preference shares do not carry any equity component and are classified as financial liabilities in their entirety. At the same date when the preference shares were issued, the Group entered into pay-floating, receive-fixed interest rate swap to reduce the fair value risk of changing interest rates. The swap's notional is $ ___ and matches the principal of the preference shares. The swap matures on *[date]*.

To mitigate the accounting mismatch arising on measuring the liability as amortised cost and measuring the derivative at FVTPL, the Group designated the preference shares as at FVTPL. The changes in the fair value of the preference shares due to the changes in the credit risk do not create or enlarge the accounting mismatch and, therefore, they are recognised in other comprehensive income and accumulated in revaluation reserve. The cumulative amount change in fair value due to credit risk was $ ___ (2024: $ ____). 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 $ ___ (2024: $ ____).

Source

24. Other borrowings (continued)

Information about the Group's borrowings (continued)

AASB 1060:117

(ii) Bank overdrafts are repayable on demand. Overdrafts of $ ____ (2024: $ _____) 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 $ ____ (2024: $ _____). The average effective interest rate on bank overdrafts approximates ____ % (2024: ____ %) per annum and are determined based on ____ % plus prime rate.

(iii) Bills of exchange with a variable interest rate were issued on *[date]*. The current weighted average effective interest rate on the bills is ____ % (2024: ____ %) per annum. The bills mature *[provide details]*

AASB 1060:114

AASB 1060:117

(iv) The Group has two principal bank loans:

- A loan of $ ____ (2024: $ _____). 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 $ ____ (2024: $ _____). The Group is required to maintain trade receivables that are neither past due nor impaired with carrying value of $ ____ as security for the loan. The loan carries interest rate at _____ % above the relevant 3-month Bank Bill Swap Rate (BBSW).
- An unsecured loan of $ ____ (2024: $ _____). This loan was advanced on [date] and is due for repayment in full on *[date]*. The bank loan carries fixed interest rate at ____ % (2024: ____ %) 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 BBSW rate. The cumulative fair value adjustment to the loan was $ ____ (2024: $ _____).

(v) Amounts repayable to related parties of the Group carry interest of ____ % to ____ % (2024: ____ % to ____ %) per annum charged on the outstanding loan balances.

(vi) On *[date]*, the Group received an interest-free loan of $ ____ from the government of *[country]* to finance *[description of what loan is for]*. The loan is repayable in full at the end of a two-year period. Using prevailing market interest rates for an equivalent loan of ____ %, the fair value of the loan is estimated at $ ____. The difference of $ ____ between the gross proceeds and the fair value of the loan is the benefit derived from the interest-free loan and is recognised as deferred income (see note 59). Interest charges will be recognised on this loan in 2026 ($ _____) and 2027 ($ _____).

(vii) Perpetual notes of $ ____ carrying interest of ____ % were issued on *[date]* at principal value. Issue costs of $ ____ were incurred.

Source

24. Other borrowings (continued)

Liquidity analysis

AASB 1060:114
AASB 1060:BC78

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.

The contractual maturity is based on the earliest date on which the group may be required to pay.

	Less than 6 months $'000	6 months to 1 year $'000	2 – 5 years $'000	5+ years $'000	Total $'000	Carrying amount $'000
30 June 2025						
Unsecured – at FVTPL						
Redeemable cumulative preference shares						
Other *[describe]*						
Unsecured – at amortised cost						
Bank overdrafts						
Bills of exchange						
Bank loans						
Loans from:						
Related parties						
Government						
Perpetual notes						
Supplier finance arrangements						
Other *[describe]*						
Secured – at amortised cost						
Bank overdrafts						
Bank loans						
Other *[describe]*						
Total borrowings						

Source

24. Other borrowings (continued)

Liquidity analysis (continued)

30 June 2024						
Unsecured – at FVTPL						
Redeemable cumulative preference shares						
Other *[describe]*						
Unsecured – at amortised cost						
Bank overdrafts						
Bills of exchange						
Bank loans						
Loans from:						
Related parties						
Government						
Perpetual notes						
Supplier finance arrangements						
Other *[describe]*						
Secured – at amortised cost						
Bank overdrafts						
Bank loans						
Other *[describe]*						
Total borrowings						

Source

24. Other borrowings (continued)

Determining the level of detail for these disclosures

AASB 1060:114

The entity discloses information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance. For example, for long-term debt such information would ordinarily include the terms and conditions of the debt instrument (such as interest rate, maturity, repayment schedule, and restrictions that the debt instrument imposes on the entity).

AASB 1060:BC76

While paragraph 144(b) of AASB 1060 requires disclosure of a quantitative maturity analysis for future lease payments, paragraph 114 only has a general requirement for other financial liabilities to disclose terms and conditions "such as … maturity, repayment schedule …".

AASB 1060:BC77

In developing AASB 1060, the AASB acknowledged that information about the maturity of an entity's financial liabilities is important as the users of financial statements of entities that do not have public accountability are particularly interested in information about short-term cash flows, obligations and commitments, and liquidity. However, the AASB decided to retain the disclosures consistent with the *IFRS for SME* Standard.

AASB 1060:BC78

However, the AASB noted that while paragraph 114 only has general disclosure requirements, these still require disclosure of the terms and conditions of the debt instrument and make specific reference to the instrument's maturity and repayment schedule. The AASB therefore expects entities to provide this information in some form.

The illustrative disclosures above are one way of satisfying the disclosure requirements.

Information about covenants

AASB 1060:47A

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 calculated as net debt divided by equity. For the purposes of the covenant:

- Net debt includes long and short-term borrowings and lease liabilities (excluding derivatives, contingent consideration, and financial guarantee contracts) less 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.

The Group has complied with this covenant in the 2025 and 2024 reporting periods.

AASB 1060:47A

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:

AASB 1060:47A(a)
- 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

AASB 1060:47A(b)
- 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).

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.

Other borrowings issued by the Group do not contain any covenants.

Source

24. Other borrowings (continued)

Defaults and breaches on loans payable

AASB 1060:118

For loans recognised at the reporting date for which there is a breach of terms or a default of principal, interest, sinking fund or redemption terms that have not been remedied by the reporting date, an entity discloses the following:

- Details of that breach or default
- The carrying amount of the related loans payable at the reporting date
- Whether the breach or default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.

Financial liabilities measured at fair value

AASB 1060:115

Some of the Group's 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 liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial liability	Valuation technique(s) and key inputs(s)
Redeemable preference shares	Discounted cash flow at a discount rate of ____ % (2024: ____ %) that reflects the Group's current borrowing rate at the end of the reporting period.

See Note 25 below for commentary on the requirements of financial liabilities measured at fair value under AASB 1060.

Source

25. Other financial liabilities

Source		30/06/2025 $'000	30/06/2024 $'000
	Categories of financial liabilities		
AASB 1060:120(b)	**Derivatives that are designated and effective as hedging instruments carried at fair value (see note 37)**		
	Foreign currency forward contracts		
	Interest rate swaps		
	Currency swaps		
	Other *[describe]*		
AASB 1060:113(a)	**Financial liabilities carried at fair value through profit or loss (FVTPL)**		
	Other *[describe]*		
	Contingent consideration in a business combination (Note 33)		
	Current		
	Non-current		

Financial liabilities measured at fair value

AASB 1060:115

Some of the Group's 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 liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial liability	Valuation technique(s) and key inputs(s)
Foreign currency forward contracts and interest rate swaps and currency swaps	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.
Contingent consideration in a business combination	Discounted cash flow method was used to capture the present value of the Group arising from the contingent consideration. Significant unobservable inputs included: • Discount rate of ____ % (2024: n/a) determined using a Capital Asset Pricing Model • Probability-adjusted revenues and profits, with a range from $ ____ to $ ____ and a range from $ ____ to $ ____ respectively.

Source

25. Other financial liabilities (continued)

AASB 1060:116

For all financial assets and financial liabilities measured at fair value, the entity discloses the basis for determining fair value, for example, quoted market price in an active market or a valuation technique. When a valuation technique is used, the entity discloses the assumptions applied in determining fair value for each class of financial assets or financial liabilities. For example, if applicable, the entity discloses information about the assumptions relating to prepayment rates, rates of estimated credit losses, and interest rates or discount rates.

There is no further explicit guidance provided on the extent of the disclosures required to comply with these requirements. Accordingly, each entity should exercise judgement to develop disclosures that are appropriate for the nature of the entity's operations, the significance of financial instruments to the entity, and the nature of the key assumptions on which financial instruments have been measured.

AASB 1060:2

Entities are permitted to refer to other Standards for guidance on the requirements in AASB 1060, including AASB 13 *Fair Value Measurement*. Therefore, some of the disclosures required by AASB 13 may be a useful reference in developing disclosures to meet these requirements.

26. Provisions

Source		30/06/2025 $'000	30/06/2024 $'000
	Carrying amount		
AASB 1060:44(e)	Employee benefits		
AASB 1060:44(e)	Restructuring provision		
AASB 1060:44(e)	Warranty provision		
AASB 1060:44(e)	Restoration provision		
AASB 1060:44(e)	Other *[describe]*		
	Current		
	Non-current		

Movements in provisions

Source		Restructuring provision $'000	Warranty provision $'000	Restoration provision $'000	Other *[describe]* $'000
AASB 1060:153(a)(i)	***Carrying amount as at 1 July 2024***				
AASB 1060:153(a)(ii)	Additions				
AASB 1060:153(a)(iii)	Amounts charged				
AASB 1060:153(a)(iv)	Unused amounts reversed				
	Other *[describe]*				
AASB 1060:153(a)(i)	***Carrying amount as at 30 June 2025***				

AASB 1060:153

Comparative information for prior periods is not required for the above reconciliation.

Source

26. Provisions (continued)

Additional information

AASB 1060:153(b) The warranty provision represents management's best estimate of the Group's liability under 12-month warranties.

AASB 1060:153(b) The restructuring provision relates to redundancy costs incurred on the disposal of *[Tier 2 Sub No.9 Limited]*. As at 30 June 2025, approximately 50 per cent of the affected employees had left the Group's employment, with the remainder departing in July 2025.

AASB 1060:153(b),(c) The restoration provision has been created upon the enactment of new environmental legislation in *[A Land]* on *[date]* 2025 which requires companies in *[A Land]* to clean up contaminated land by 30 June 2027 and bear the associated costs thereof. Management is in the process of clarifying certain aspects of the legislation and therefore the final assessment of costs that the Group will need to incur may change materially based on the outcome of this process. Based on the current interpretation of the legislation, the directors have estimated a liability of $ ____. In estimating the liability, the directors have made assumptions regarding the following: local site volume of contamination, proximity to approved landfill sites, technology available to decontaminate and costs required to dispose of specialised raw materials.

AASB 1060:153(b),(c) The *[describe 'other' provision, including a brief description of the nature of the obligation and the expected amount and timing of any resulting payments, and an indication of the uncertainties about the amount or timing of those outflows.]*

Expected reimbursements

AASB 1060:153(d) Where the entity has a right of reimbursement from a third party in respect of a provision, the amount of any expected reimbursement is required to be disclosed, including stating the amount of any asset that has been recognised for that expected reimbursement.

Prejudicial disclosures

AASB 1060:156 In extremely rare cases, disclosure of some or all of the information required can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the provision. In such cases, an entity need not disclose the information, but discloses the general nature of the dispute, together with the fact that, and reason why, the information has not been disclosed.

Source

27. Deferred tax

Analysis of deferred tax assets and liabilities

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.

Source		Depreciation differences $'000	Revaluation of assets $'000	Provisions $'000	Other *[describe]* $'000	Total $'000
AASB 1060:178(e)						
	As at 1 July 2023					
AASB 1060:178(e)(ii)	Changed to profit or loss					
AASB 1060:178(e)(ii)	Charged to other comprehensive income					
AASB 1060:178(e)(ii)	Charged directly to equity					
AASB 1060:178(e)(ii)	Business combinations					
AASB 1060:178(e)(ii)	Exchange differences					
	As at 30 June 2024					
AASB 1060:178(e)(ii)	Changed to profit or loss					
AASB 1060:178(e)(ii)	Charged to other comprehensive income					
AASB 1060:178(e)(ii)	Charged directly to equity					
AASB 1060:178(e)(ii)	Business combinations					
AASB 1060:178(e)(ii)	Changes in accounting policies					
AASB 1060:178(e)(ii)	Exchange differences					
AASB 1060:178(e)(i)	***As at 30 June 2025***					

AASB 1060:178(e)(ii)

AASB 1060 requires the disclosure of "an analysis of the change in deferred tax liabilities and deferred tax assets during the period". In these model financial statements, this analysis has been provided by way of a numeric reconciliation as illustrated above. Other approaches may also be acceptable.

AASB 1060:178(f)

Unrecognised deferred tax assets

The following deductible temporary differences, unused tax losses and unused tax credits have not been recognised as deferred tax assets in the consolidated statement of financial position

Source		30/06/2025 $'000	30/06/2024 $'000
	Tax losses – revenue	-	-
	Tax losses – capital	-	-
	Carried forward R&D tax offset		
	Foreign tax credits	-	-
	Temporary differences	-	-
	Other	-	-
AASB 1060:178(f)			

AASB 1060:178(f)

All of the above amounts can be carried forward indefinitely, subject to meeting certain criteria of the relevant taxation law, with the exception of $ ____ (2024: $ _____) of revenue tax losses which have been incurred in *[A Land]* and which expire in ___ years (2024: ____ years).

Source

28. Government grants

	30/06/2025 $'000	30/06/2024 $'000
Deferred government grants		
Deferred income:		
- Current		
- Non-current		

AASB 1060:160(a) The deferred income arises as a result of:

- The benefit received from an interest-free government loan received in June 2025. The revenue will be offset against training costs to be incurred in 2025 ($____) and 2024 ($____)
- The obtaining of a *[describe the intangible asset]* by way of government grant under a government business development program (2024: no grant). The revenue will be offset against the amortisation of the asset.

Government grants recognised as income

AASB 1060:160(a) The Group has benefited from the following government support packages during the current and/or prior period:

AASB 1060:160(a)

Support received	Description
Staff retraining scheme (*[A land]*)	The Group received subsidies of $ ____ (2024: nil) under a job re-training scheme operated by the government of *[A land]*. Under the scheme, the Group was entitled to claim a 50% subsidy in respect of the total employee cost for eligible employees who were employed from prescribed industries during the period *[date]* to *[date]*. Certain requirements were imposed on eligibility, including increasing total employee headcount and increased overall payroll expense. The amounts were paid to the company as a reimbursement once the eligible employees had been paid. The amounts received have been recognised as other income in profit or loss.
[Describe]	*[Provide details of the nature of the support received, the amount recognised in the financial statements (or other assistance received) and other information to allow users to understand its impacts]*

AASB 1060:160(b) There are no unfulfilled conditions or other contingencies attaching to the government grants that have been recognised as income.

AASB 1060:160(c) In addition to the above grants, the Group also benefits from the other forms of government assistance: *[describe]*

Source

28. Government grants (continued)

AASB 1060:160

A for-profit entity is required to disclose:

- The nature and amounts of government grants recognised in the financial statements
- Unfulfilled conditions and other contingencies attaching to government grants that have been recognised in income
- An indication of other forms of government assistance as defined in AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* from which the entity has directly benefited
- Material accounting policy information for government grants, including the methods of presentation adopted in the financial statements.

Governments may be providing support to entities through programmes that do not result in recognition of income in the financial statements of the participating entities.

To the extent that the interest rate paid by the borrower and other terms of the debt instruments reflect market conditions, the borrowing does not include a government grant that requires recognition in the financial statements. Nevertheless, such support is considered government assistance under AASB 120. Entities will need to consider if the significance of the benefit received is such that disclosure of the nature, extent and duration of the assistance is necessary to avoid the financial statements from being misleading.

Information about government grants received by not-for-profit entities can be found in Note 4.

AASB 1060:36

29. Other liabilities

	30/06/2025 $'000	30/06/2024 $'000
Refund liability		
Other *[describe]*		
Current		
Non-current		

Source

30. Issued capital

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:45(a)(ii)	_____ fully paid ordinary shares (2024: ______)		

AASB 1060:45(a)(i)
AASB 1060:45(a)(iii)

The Company is incorporated under the *Corporations Act 2001* and accordingly, does not have a limited amount of authorised capital and issued shares do not have a par value.

AASB 1060:45(a)(v)

The entity discloses the rights, preferences and restrictions attaching to each class of share capital, including restrictions on the distribution of dividends and the repayment of capital.

Fully paid ordinary shares

Source		Number of shares '000	Share capital $'000
AASB 1060:45(a)(iv)	***Balance at 1 July 2024***		
	Issue of shares		
	Share buy-back		
	Share buy-back costs		
	Income tax relating to share buy-back costs		
	Balance at 30 June 2025		

Where the above information is presented in the statement of changes in equity, it is not necessary to repeat this information in the notes to the financial statements.

AASB 1060:45(a)(iv)

The above reconciliation need not be presented for prior periods.

AASB 1060:45(a)(v)

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

Shares reserved under options and contracts for the sale of sales

AASB 1060:45(a)(vii)

An entity is required to disclose shares reserved for issue under options and contracts for the sale of shares, including the terms and amounts.

An entity with other share options may wish to use the following illustrative wording as an example:

'As at 30 June 2025, the Company has ____ share options on issue (2024: ____), exercisable on a 1:1 basis for ____ ordinary shares of the Company (2024: ____) at an exercise price of $____. The options expire between *[date]* and *[date]* (2024: *[date]* and *[date]*), and carry no rights to dividends and no voting rights.'

Shares held by the entity, subsidiaries or associates

AASB 1060:45(a)(vi)

An entity discloses shares in the entity that are held by the entity, or by its subsidiaries or associates.

Entities without share capital

AASB 1060:46

An entity without share capital, such as a partnership or trust, discloses information equivalent to that required above, showing changes during the period in each category of equity, and the rights, preferences and restrictions attaching to each category of equity.

Source

AASB 1060:45(b)

31. Reserves

Where information in this note has already been presented in the statement of changes in equity or statement of comprehensive income (or equivalent statement), it is not necessary to repeat those disclosures in this note.

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:136(d)	Properties revaluation (1)		
AASB 1060:44(f)	Investments revaluation (2)		
AASB 1060:44(f)	Share-based payments (3)		
AASB 1060:44(f)	Cash flow hedging (4)		
AASB 1060:44(f)	Foreign currency translation (5)		
AASB 1060:44(f)	Option premium on convertible notes (6)		
AASB 1060:44(f)	Other *[describe]*		

AASB 1060:45(b)
AASB 1060:136(d)

(1) 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 are not reclassified subsequently to profit or loss. Distribution of amounts from the reserve is subject to the relevant distribution requirements of the *Corporations Act 2001*

AASB 1060:45(b)

(2) The investments revaluation reserve represents (i) 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; and (ii) 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.

AASB 1060:45(b)

(3) The share-based payments reserve is used to separately account for the grant of share options to employees of the Group under the employee share option plan. Share options are granted to employees over the shares of the entity's parent company, who is responsible for the granting of those share options. An agreement is in place with the parent company whereby no reimbursement for costs associated with the grant of options will be sought by the parent from the entity. As such, amounts relating to grants are recorded as an equity contribution from the parent company in its capacity as owner.

AASB 1060:45(b)

(4) The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated in the cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the relevant accounting policy.

AASB 1060:45(b)

(5) Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Company's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on hedging instruments that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

AASB 1060:45(b)

(6) The option premium on convertible notes reserve represents the equity component (conversion rights) of the *[number]* ____% convertible notes issued during the year

Source

31. Reserves (continued)

Movement in property revaluation reserve

Source		30/06/2025 $'000	30/06/2024 $'000
	Balance at the beginning of the year		
AASB 1060:136(d)	Revaluation increase/(decrease) on land and buildings		
AASB 1060:136(d)	Change in deferred tax liability on revaluation of land and buildings		
AASB 1060:136(d)	Effect of change in tax rate		
AASB 1060:136(d)	Transferred to retained earnings on depreciation of buildings		
AASB 1060:136(d)	***Balance at end of year***		

Movement in cash flow hedging reserve

Source		30/06/2025 $'000	30/06/2024 $'000
	Balance at beginning of year		
AASB 1060:122(c)	Gain/(loss) arising on changes in fair value of hedging instruments entered into for cash flow hedges*		
AASB 1060:122(d)	Cumulative (gain)/loss arising on changes in fair value of hedging instruments reclassified to profit or loss*		
	Transferred to initial carrying amount of hedged item		
	Other *[describe]*		
	Balance at end of year		

* These are the only required disclosures in AASB 1060:122. The example above has presented these disclosures in the form of a reconciliation between the opening and closing balances of the reserve. Other approaches may also be acceptable.

Movement in foreign currency translation reserve

Source		30/06/2025 $'000	30/06/2024 $'000
	Balance at beginning of year		
AASB 1060:180(b)	Exchange differences arising on translating the foreign operations (net of tax) #		
AASB 1060:180(a)	(Gain)/loss reclassified to profit or loss on disposal of foreign operations (net of tax) #		
	Loss on hedging instrument designated in hedges of the net assets of foreign operations		
	Other *[describe]*		
	Balance at end of year		

These are the only required disclosures in AASB 1060:180. The example above has presented these disclosures in the form of a reconciliation between the opening and closing balances of the reserve. Other approaches may also be acceptable.

Source

32. Dividends on equity instruments

	Year ended 30/06/2025		Year ended 30/06/2024	
	Cents per share	Total $'000	Cents per share	Total $'000
Recognised amounts				
Fully paid ordinary shares				
- Interim dividend				
- Final dividend				
Unrecognised amounts				
Fully paid ordinary shares				
- Final dividend				

The above information is not explicitly required by AASB 1060, but may be useful to users of the financial statements.

AASB 1060:187

On *[date]*, the directors declared an ____% franked final dividend of ____ cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2025. This dividend has not been recognised as a liability in these financial statements and will be paid to shareholders on *[date]*. The total estimated dividend to be paid is $ ____.

Imputation credits (franking credits)

AASB 1060:101

The information below is considered best practice for the disclosure of imputation credits (franking credits). AASB 1060 only specifically requires the disclosure of the amount of imputation credits available for use in subsequent reporting periods (i.e. the 'adjusted franking account balance' in the information below). The disclosures below reconcile from the actual franking account balance at the reporting date to the adjusted franking account balance using the guidance in AASB 1060:102, and also discloses the impact of franking debits arising from declared dividends which have not been recognised as a liability in the financial statements.

Source		Company 30/06/2025 $'000	Company 30/06/2024 $'000
	Franking account balance at 30 June		
AASB 1060:102(a)	Imputation credits that will arise from the payment of the current tax liability		
AASB 1060:102(c)	Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date		
AASB 1060:102(b)	Imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date		
	Imputation debits that will arise from the receipt of tax loss carry backs		
AASB 1060:101	***Adjusted franking account balance***		
	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		

Source

32. Dividends on equity instruments (continued)

Imputation credits (franking credits) (continued)

AASB 1060:100 The term ‘imputation credits’ in AASB 1060 is used to also mean ‘franking credits’. The disclosures required by AASB 1060 are made separately in respect of any New Zealand imputation credits and any Australian imputation credits.

AASB 1060:103 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.

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.

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 of 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.*

Source

33. Business combinations

Details of acquisitions

AASB 1060:142(a)-(c) On [date], the Group acquired 80 % of the issued share capital of *[Tier 2 Sub No.5 Pty Limited]*, thereby obtaining control of *[Tier 2 Sub No.5 Pty Limited]*. *[Tier 2 Sub No.5 Pty Limited]* is a *[describe operations of company acquired]*.

AASB 1060:142(a)-(c) On *[date]*, the Group acquired 100 % of the issued share capital of *[Tier 2 Sub No.6 Limited]*, obtaining control of *[Tier 2 Sub No.6 Limited]*. *[Tier 2 Sub No.6 Limited]* is a *[describe operations of company acquired]*.

Consideration transferred

Source		Tier 2 Sub No.5 Pty Limited $'000	Tier 2 Sub No.6 Limited $'000	Total $'000
AASB 1060:142(d)	Cash			
AASB 1060:142(d)	Equity instruments)			
AASB 1060:142(d)	Debt instruments			
AASB 1060:142(d)	Contingent consideration arrangement			
	Total			

Assets acquired and liabilities assumed at the date of acquisition

Source		Tier 2 Sub No.5 Pty Limited $'000	Tier 2 Sub No.6 Limited $'000	Total $'000
AASB 1060:142(e)	Cash and cash equivalents			
AASB 1060:142(e)	Financial assets			
AASB 1060:142(e)	Inventories			
AASB 1060:142(e)	Plant and equipment			
AASB 1060:142(e)	Right-of-use assets			
AASB 1060:142(e)	Identifiable intangible assets			
AASB 1060:142(e)	Trade and other payables			
AASB 1060:142(e)	Lease liabilities			
AASB 1060:142(e)	Financial liabilities			
AASB 1060:142(e)	Deferred tax liabilities			
AASB 1060:142(e)	Contingent liabilities			
	Total identifiable assets			
AASB 1060:142(e)-(f)	Goodwill (i) / (Excess recognised in profit or loss)			
AASB 1060:142(h)	Non-controlling interest (ii)			

AASB 1060:142(g) (i) The goodwill of $ ____ arising from the acquisition of *[Tier 2 Sub No.6 Limited]* consists of *[describe factors that make up goodwill recognised]*. The goodwill cannot be amortised for tax purposes but has a capital gains tax base under Australian tax law as a result of *[Tier 2 Sub No.6 Limited]* joining the tax consolidated group. This amount can be taken into account in the determination of the tax base on capital account used to determine the gain or loss in the event *[Tier 2 Sub No.6 Limited]* leaves the tax consolidated group or another CGT event occurs.

Source

33. Business combinations (continued)

AASB 1060:142(h) (ii) The non-controlling interest arising in respect of the acquisition of *[Tier 2 Sub No.5 Pty Limited]* has been measured at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets at the acquisition date.

Net cash outflow on acquisition of businesses

	30/06/2025 $'000	30/06/2024 $'000
Consideration paid in cash		
Less: cash and cash equivalent balances acquired		
Net outflow of cash per the statement of cash flows		

The above reconciliation is not specifically required by AASB 1060, but may be useful to users of the financial statements.

34. Notes to the statement of cash flows

Reconciliation of cash

AASB 1060:88 For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	30/06/2025 $'000	30/06/2024 $'000
Cash and bank balances		
Bank overdraft (see note 24. Other borrowings)		

AASB 1060:88 An entity is not required to present the above reconciliation if the amount of cash and cash equivalents presented in the statement of cash flows is identical to the amount similarly described in the statement of financial position.

Cash balances not available for use

AASB 1060:89 An entity discloses, together with commentary by management, the amount of significant cash and cash equivalent balances held by the entity that are not available for use by the entity. Cash and cash equivalents held by an entity may not be available for use by the entity because of, among other reasons, foreign exchange controls or legal restrictions.

Non-cash transactions

AASB 1060:87 During the current year, the Group entered into the following non-cash investing and financing activities which are not reflected in the statement of cash flows:

- The Group disposed of property, plant and equipment with an aggregate fair value of $____ to acquire *[describe].*
- Proceeds in respect of the Group's disposal of *[describe]* ($ ____) had not been received in cash at the end of the reporting period
- Additions to equipment during the year amounting to $__ million (2024: $ ____) were financed by new leases.

Source

34. Notes to the statement of cash flows (continued)

Supplier finance arrangements

AASB 1060:119B(a) The Group operates the following types of supplier finance arrangements:

- 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 30 June 2025, ___ per cent of trade payables were amounts owed under these arrangements
- Another type of the arrangement, for which the related amounts are presented as part of borrowings, has the following terms and conditions: *[describe the terms and conditions of the arrangements and the basis of the classification as part of borrowings]*.

Source		30/06/2025 $'000	30/06/2024 $'000	1/7/2024 $'000
	Carrying amount of the financial liabilities that are subject to supplier finance arrangements			
AASB 1060:119B(b)(i)	Presented as part of "Trade and other payables" including:			N/A
AASB 1060: 119B(b)(ii)	- Trade payables for which suppliers have already received payment from the finance provider		N/A	N/A
AASB 1060:119B(b)(i)	Presented as part of "Borrowing", including:			N/A
AASB 1060: 119B(b)(ii)	- Borrowings for which suppliers have already received payment from the finance provider		N/A	N/A
AASB 1060: 119B(b)(iii)	**Range of payment due dates**	**Days**	**Days**	**Days**
	For liabilities presented as part of "Trade and other payables":			
AASB 1060: 119B(b)(iii)	- Liabilities that are part of supplier finance arrangements		N/A	N/A
AASB 1060: 119B(b)(iii)	- Comparable trade payables that are not part of supplier finance arrangements		N/A	N/A
	For liabilities presented as part of "Borrowings":			
AASB 1060: 119B(b)(iii)	- Liabilities that are part of supplier finance arrangements		N/A	N/A
AASB 1060: 119B(b)(iii)	- Comparable trade payables that are not part of supplier finance arrangements		N/A	N/A

AASB 1060:119B(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.

Source

34. Notes to the statement of cash flows (continued)

Supplier finance arrangements (continued)

AASB 1060:119C

AASB 2024-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements: Tier 2 Disclosures* added paragraphs 119A-119C to AASB 1060 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 amendments, 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 requirements
- The information otherwise required by paragraph 119B(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those requirements.

The comparative information that is not required to be presented in the current year is marked as "N/A" in the table above. Note, AASB 1060:119B(b) requires information to be presented at the beginning of the reporting period, this would be shown in the 30/06/2024 column.

35. Share-based payment

Equity-settled share option plan

AASB 1060:164(a)

The Group has a share option plan for all employees of the Group. In accordance with the terms of the plan, as approved by the directors, 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 Group 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 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 determined by a theoretical listed price of the entity's shares if it were a listed entity. 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.

Source

35. Share-based payment (continued)

Equity-settled share option plan (continued)

Details of the share options outstanding during the year are as follows.

Source		30/06/2025		30/06/2024	
		Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
AASB 1060:164(b)(i)	Outstanding at the beginning of the year				
AASB 1060:164(b)(ii)	Granted during the year				
AASB 1060:164(b)(iii)	Forfeited during the year				
AASB 1060:164(b)(iv)	Exercised during the year				
AASB 1060:164(b)(v)	Expired during the year				
AASB 1060:164(b)(vi)	Outstanding at the end of the year				
AASB 1060:164(b)(vii)	Exercisable at the end of the year				

AASB 1060:165

The fair value of the options granted were measured using a *[specify model]* model. The inputs used in the model include notional share prices, expected volatility, expected life of the option, relevant risk-free rates and expected dividend yields. This model was chosen as it is a generally accepted valuation methodology for pricing financial instruments, incorporating all factors and assumptions that knowledgeable, willing market participants would consider setting the price.

Cash-settled share option plan

AASB 1060:166
AASB 1060:168(a)
AASB 1060:168(b)

The Group issues to certain employees share appreciation rights (SARs) that require the Group to pay the intrinsic value of the SAR to the employee at the date of exercise. The Group has recorded liabilities of $ ____ and $ ____ in 2025 and 2024. Fair value of the SARs is determined by using the *[specify model]* model using the same inputs as noted above for the equity settled share option plan above. The Group recorded total expenses of $ ____ and $ ____ in 2025 and 2024, respectively. The total intrinsic value 30 June 2025 and 2024 was $ ____ and $ ____ respectively.

Total expense recognised

AASB 1060:168(a)

The total expense recognised in profit or loss for the period in respect of all share-based payment transactions was $ ____ (2024: $ ____).

Modifications

AASB 1060:167

Where share-based payment arrangements are modified during the period, the entity discloses an explanation of those modifications.

Source

36. Employee benefits

Defined contribution plans

		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:172	Amount recognised as an expense for defined contribution plans		

Defined benefit plans

AASB 1060:172
AASB 1060:173

If an entity treats a defined benefit multi-employer plan as a defined contribution plan because sufficient information is not available to use defined benefit accounting (see paragraph 34 of AASB 119 *Employee Benefits*), it discloses the fact that it is a defined benefit plan and the reason why it is being accounted for as a defined contribution plan, along with any available information about the plan's surplus or deficit and the implication, if any , for the entity. The disclosures below in respect of defined benefit plans are not required for such plans.

AASB 1060:173(a)

The Group sponsors defined benefit plans for qualifying employees of its subsidiaries in *[D Land]* and previously for the employees of *[name of company]*. The defined benefit plans are administered by a separate fund that is legally separated from the Group. 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.

AASB 1060:173(b)

Movement in defined benefit obligation

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:

		30/06/2025 $'000
	Defined benefit obligation as at 1 July 2024	
AASB 1060:173(b)	Contributions	
AASB 1060:173(b)	Benefits paid	
AASB 1060:173(b)	Other *[describe]*	
	Defined benefit obligation as at 30 June 2025	

The above reconciliation need not be given for prior periods.

AASB 1060:173(c) Movements in the fair value of plan assets during the year were as follows:

		30/06/2025 $'000
	Fair value of plan assets as at 1 July 2024	
AASB 1060:173(c)(i)	Contributions	
AASB 1060:173(c)(ii)	Benefits paid	
AASB 1060:173(g)	Actual return on plan assets	
AASB 1060:173(c)(iii)	Other changes in plan assets *[describe]*	
	Fair value of plan assets as at 30 June 2025	

AASB 1060:173 The above reconciliation need not be given for prior periods.

Source	

36. Employee benefits (continued)

Defined benefit plans (continued)

Plan assets (continued)

AASB 1060:173(e) The major classes of plan assets are as follows:

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:173(e)	Equity instruments (1)		
AASB 1060:173(e)	Debt instruments		
AASB 1060:173(e)	Property (2)		
AASB 1060:173(e)	Other assets *[describe]*		

AASB 1060:173(f)(i) (1) Included in the total carrying amount of equity instruments is an amount of $ ____ (2024: $ ____) of investments in the *[describe]* class of the Group's own financial instruments.

AASB 1060:173(f)(ii)) (2) Included in the total carrying amount of property is an amount of $ ____ (2024: $ ____) of property that is leased to the Group.

AASB 1060:173(h)

Assumptions used

The most recent actuarial valuations of the plan assets and the present value of the defined benefit liability were carried out at 30 June 2025 by Mr _________, 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.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Source		30/06/2025	30/06/2024
AASB 1060:173(h)(i)	Discount rate		
AASB 1060:173(h)(ii)	Expected rates of return on plan assets		
AASB 1060:173(h)(iii)	Expected rates of salary increases		
AASB 1060:173(h)(iv)	Medical cost trend rates		
AASB 1060:173(h)(v)	Other *[describe, e.g. average longevity at retirement age]*		

AASB 1060:173(d)

Total cost

The total cost relating to defined benefit plans during the period are as follows:

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:173(d)	Total cost of defined benefit plans		

Source

36. Employee benefits (continued)

Subsidiaries within groups

AASB 1060:173 A subsidiary that recognises and measures employee benefit expense on the basis of a contractual agreement or stated policy for charging the net defined benefit cost or based on their contributions payable for the period (see paragraph 41 of AASB 119 *Employee Benefits*), in its separate financial statements, describes the contractual agreement or stated policy for charging the net defined benefit cost or the fact that there is no such policy, and the policy for determining the contributions to be paid by the entity and makes the disclosures above for the plan as a whole. The subsidiary can disclose this information by cross-reference to disclosures in another group entity's financial statements if:

AASB 1060:173(i)
- That group entity's financial statements separately identify and disclose the information required about the plan

AASB 1060:173(j)
- That group entity's financial statements are available to users of the financial statements on the same terms as the financial statements of the entity and at the same time, or earlier than, the financial statements of the entity

Termination benefits

AASB 1060:174 For each category of termination benefits that an entity provides to its employees, the entity discloses the nature of the benefit, the amount of its obligation and the extent of funding at the reporting date.

AASB 1060:175 When there is uncertainty about the number of employees who will accept an offer of termination benefits, a contingent liability exists. An entity discloses information about its contingent liabilities unless the possibility of an outflow in settlement is remote.

Source

37. Hedges

Fair value hedges

AASB 1060:120

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 option 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.

AASB 1060:120

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. 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.

The following information relates to the Group's fair value hedges

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:121(a)	Change in fair value of hedging instruments recognised in profit or loss		
AASB 1060:121(b)	Change in fair value of hedged items recognised in profit or loss		

Cash flow hedges

AASB 1060:120
AASB 1060:122(a)

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 ____ % to ____ % of the exposure generated. Basis adjustments are made to the initial carrying amounts of inventories when the anticipated purchases take place.

AASB 1060:120
AASB 1060:122(a)

The Group has entered into contracts to supply goods to customers in *[B Land]*. 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.

AASB 1060:120
AASB 1060:122(a)

The Group has entered into contracts to purchase raw materials from suppliers in *[B Land]* and *[C Land]*. 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.

AASB 1060:122(a)

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.

Source	
	## 37. Hedges (continued)
	### Cash flow hedges (continued)
	The following information relates to the Group's cash flow hedges:

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:122(c)	Change in fair value of hedging instruments recognised in other comprehensive income		
AASB 1060:122(d)	Amount reclassified to profit or loss for the period		
AASB 1060:122(e)	Hedge ineffectiveness recognised in profit or loss		

AASB 1060:122 Foreign currency forward contract assets and liabilities are presented in the line 'other financial assets' and 'other financial liabilities' (as applicable) in the statement of financial position.

AASB 1060:122(b) In addition, the entity discloses a description of any forecast transaction for which hedge accounting had previously been used, but which is no longer expected to occur.

Net investment hedges

AASB 1060:120 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 ___% 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.

AASB 1060:120 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 Parent's functional currency. However, the Group ceased to hedge this investment a few years ago 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.

The following information relates to the Group's net investment hedges:

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:122(c)	Change in fair value of hedging instruments recognised in other comprehensive income		
AASB 1060:122(d)	Amount reclassified to profit or loss for the period		
AASB 1060:122(e)	Hedge ineffectiveness recognised in profit or loss		

AASB 1060:122(b) In addition, the entity discloses a description of any forecast transaction for which hedge accounting had previously been used, but which is no longer expected to occur.

Source

38. Related parties

ASIC-CI 2016/191

An entity considers the extent to which *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* permits information about related parties to be rounded.

AASB 1060:197

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. Examples of related party transactions include, but are not limited to:

- Transactions between an entity and its principal owners
- Transactions between an entity and another entity when both entities are under common control of a single entity or person
- Transactions in which an entity or person that controls the reporting entity incurs expenses directly that otherwise would have been borne by the reporting entity.

Information about the parent and subsidiaries

AASB 1060:192

Relationships between a parent and its subsidiaries are disclosed irrespective of whether there have been related party transactions. An entity discloses the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces financial statements available for public use, the name of the next most senior parent that does so (if any) is also disclosed.

AASB 1060:192

Tier 2 Limited is a wholly-owned subsidiary of *[Parent name]*.

[Parent name] is incorporated in *[F Land]* and is itself wholly-owned by *[Intermediate parent name]*, incorporated in *[G Land]*. Financial statements of *[Intermediate parent company]* are publicly available at *[website or other location]*.

The ultimate controlling entity is *[Ultimate controlling entity name]*, incorporated in *[H Land]*.

The ultimate controlling party does not need to be a company, trust or other incorporated entity and may be an individual.

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its other related parties are disclosed below.

Remuneration of key management personnel

Source		30/06/2025 $	30/06/2024 $
AASB 1060:194	Aggregate key management personnel compensation		

AASB 1060:195

If an entity obtains key management personnel services from another entity (the 'management entity'), the entity is not required to disclose the total key management personnel compensation paid or payable by the management entity to the management entity's employees or directors.

AASB 1060:196

Amounts incurred by the entity for the provision of key management personnel services that are provided by a separate management entity are disclosed.

Source

38. Related parties (continued)

Transactions with related parties

During the year, entities within the Group entered into the following transactions with related parties who are not members of the Group:

AASB 1060:198(a)

	Sale of goods		Purchase of goods	
	30/06/2025 $'000	30/06/2024 $'000	30/06/2025 $'000	30/06/2024 $'000
[Ultimate parent company name]				
Associates				
[Describe nature of each related party relationship]				

At the end of the year, the following balances were outstanding between entities within the Group and related parties who are not members of the Group:

AASB 1060:198(b)

	Amounts owed by related parties		Amounts owed to related parties	
	30/06/2025 $'000	30/06/2024 $'000	30/06/2025 $'000	30/06/2024 $'000
[Ultimate parent company name]				
Associates				
AASB 1060:199 *[Describe nature of each related party relationship]*				
AASB 1060:198(c) Less: Allowance for uncollectable amounts				

AASB 1060:198

Sales of goods to related parties were made at the Group's usual list prices, less average discounts of ___ %. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.

AASB 1060:198(b)
AASB 1060:198(d)

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. During the period, an expense of $ ____ (2024: $ ____) for an allowance for doubtful debts in respect of the amounts owed by related parties was recognised. Amounts repayable to *[related party]* carry interest of ____ % to ____ % (2024: ____ % to ____ %) per annum charged on the outstanding loan balances.

Source

38. Related parties (continued)

Loans to related parties

AASB 1060:198(b) The following are details of loans to related parties:

Source		30/06/2025 $'000	30/06/2024 $'000
AASB 1060:199(a)	Loans to entities with control, joint control or significant influence over the Company *[describe]*		
AASB 1060:198(c)	Less: Allowance for uncollectable receivables		
AASB 1060:199(b)	Loans to associates		
AASB 1060:198(c)	Less: Allowance for uncollectable receivables		
AASB 1060:199(c)	Loans to key management personnel		
AASB 1060:198(c)	Less: Allowance for uncollectable receivables		
AASB 1060:199(d)	Loans to other related parties *[describe]*		
AASB 1060:198(c)	Less: Allowance for uncollectable receivables		

AASB 1060:198
AASB 1060:198(a)

During the period, the Group has provided its associates with short-term loans of $ ____ (2024: $ ____) at rates comparable to the average commercial rate of interest.

AASB 1060:198

[Provide additional information necessary for an understanding of each related party relationship on the financial statements.]

Other related party transactions

AASB 1060:197
AASB 1060:198

The following additional related party transactions occurred during the current and prior periods:

- The provision of office space and office management services (including IT resources) at no cost by *[related party]*
- Transfer of income tax payables *[tax losses]* to *[related party]* under the provisions of tax-consolidation applying in Australia, and the corresponding accrual of a related party payable *[receivable]* of $ ____ (2024: $ ____)

Source

38. Related parties (continued)

Examples

AASB 1060:201 The following are examples of transactions that would be disclosed if they are with a related party:

- Purchases or sales of goods (finished or unfinished)
- Purchases or sales of property and other assets
- Rendering or receiving of services
- Leases
- Transfers of research and development
- Transfers under licence agreements
- Transfers under finance arrangements (including loans and equity contributions in cash or in kind)
- Provision of guarantees or collateral
- Settlement of liabilities on behalf of the entity or by the entity on behalf of another party
- Participation by a parent or subsidiary in a defined benefit plan that shares risks between group entities
- Commitments to do something if a particular event occurs, or does not occur in the future, including executory contracts (recognised or unrecognised).

39. Contingent liabilities and contingent assets

Contingent liabilities

AASB 1060:154 During the reporting period, a customer of the Group instigated proceedings against it for alleged defects in an electronic product which, it is claimed, were the cause of a major fire in the customer's premises on *[date]*. Total losses to the customer have been estimated at $ ____ (2024: nil) 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.

Contingent assets

AASB 1060:155 If an inflow of economic benefits is probable (more likely than not) but not virtually certain, an entity discloses a description of the nature of the contingent assets at the end of the reporting period and, where practicable, an estimate of their financial effect, measuring using the principles set out in paragraphs 36-51 of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. Where any of the information required is not disclosed because it is not practicable to do so, that fact is stated.

Prejudicial disclosures

AASB 1060:156 In extremely rare cases, disclosure of some or all of the information required can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the contingent liability or contingent asset. In such cases, an entity need not disclose the information, but discloses the general nature of the dispute, together with the fact that, and reason why, the information has not been disclosed.

Source

40. Subsequent events

AASB 1060:187

On *[date]* the premises of *[name of subsidiary]* were seriously damaged by fire. Insurance claims have been submitted but the cost of refurbishment is currently expected to exceed the amounts to be received from these claims by $ ____ (2024: nil).

AASB 1060:185

An entity adjusts the amounts recognised in its financial statements, including related disclosures, to reflect adjusting events after the end of the reporting period.

AASB 1060:187

An entity discloses the following for each category of non-adjusting event after the end of the reporting period:

- The nature of the event
- An estimate of its financial effect or a statement that such an estimate cannot be made.

AASB 1060:188

The following are examples of non-adjusting events after the end of the reporting period that would generally result in disclosure. The disclosures will reflect information that becomes known after the end of the reporting period but before the financial statements are authorised for issue:

- A major business combination
- Announcement of a plan to discontinue an operation
- Major purchases of assets, classification of assets as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations,* disposals of assets, or expropriation of major assets by government
- The destruction of a major production plant by a fire
- Announcement, or commencement of the implementation, of a major restructuring
- Issues or repurchases of an entity's debt or equity instruments
- Abnormally large changes in asset prices or foreign exchange rates
- Changes in tax rates or tax laws enacted or announced that have a significant effect on current and deferred tax assets and liabilities
- Entering into significant commitments or contingent liabilities, for example, by issuing significant guarantees
- Commencement of a major litigation arising solely out of events that occurred after the end of the reporting period.

Source

41. Subsidiaries

ASIC-CI 2016/785:6(v)

In addition to the requirement of AASB 1060, the disclosures below illustrate the requirements of *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* in respect of the consolidated financial statements.

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

AASB 1060:192

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
		30/06/2025	**30/06/2024**
Tier 2 Sub No.1 Limited	Australia	90%	100%
Tier 2 Sub No.2 Pty Limited (ii), (iii)	Australia	100%	100%
Tier 2 Sub No.3 Limited (i)	Australia	45%	45%
Tier 2 Sub No.4 Pty Limited (ii), (iii)	Australia	100%	100%
Tier 2 Sub No.5 Pty Limited	Australia	80%	Nil
Tier 2 Sub No.6 Limited (ii), (iii)	Australia	100%	Nil
Tier 2 Sub No.7 Limited	Australia	90%	90%
Tier 2 Property Trust (ii)	Australia	100%	100%
Tier 2 Sub No.9 Limited	Australia	Nil	100%
Tier 2 Joint Venture Limited	Australia	95%	95%
Tier 2 (United Kingdom) Ltd.	United Kingdom	70%	70%
Tier 2 (Japan) KK	Japan	100%	100%
Tier 2 (Canada) Inc.	Canada	85%	85%
Tier 2 (Cayman) Inc.	Cayman Islands	75%	75%
Tier 2 Canada Partnership	Canada	75%	75%

AASB 1060:104(b)

(i) Although the Group holds less than 50% of the ownership interests in Tier 2 Sub No.3 Limited, the directors have identified that the entity is a subsidiary of the Group (see Note 3).

AASB 1060:192

(ii) These companies are members of the tax-consolidated group. Tier 2 Limited is the head entity within the tax-consolidated group.

ASIC-CI 2016/785:6(v)(ii)

(iii) These wholly-owned subsidiaries have entered into a deed of cross guarantee with Tier 2 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. Tier 2 Sub No.6 Limited became a party to the deed of cross guarantee on *[date]* 2025.

AASB 1060:192

AASB 1060 requires the entity to disclose the relationships between a parent and its subsidiaries irrespective of whether there have been related party transactions. For the purposes of these illustrative disclosures, the example above shows information about the entity's own subsidiaries and the members of the tax-consolidated group. The level of detail to be disclosed is not specified in AASB 1060.

In addition, the entity discloses the name of its parent and, if different, the ultimate controlling party. This is illustrated in Note 38.

Details required for entities relying on *ASIC Corporations Instrument 2016/785*

ASIC-CI 2016/785

ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 requires the following information in respect of parties to the deed of cross guarantee at the end of the financial year:

- Details (including dates) of parties to the deed of cross guarantee which, during or since the financial year have been added by an assumption deed, removed by a revocation deed or which are the subject of a notice of disposal (as required under the instrument)
- Details (including dates and reasons) of any entities which obtained relief under the instrument or ASIC Class Order 98/1418 at the end of the immediately preceding financial year, but which were ineligible for relief in respect of the relevant financial year.

Source

41. Subsidiaries (continued)

Additional disclosures

The entity discloses:

AASB 1060:104(c)
- Any difference in the reporting date of the financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements

AASB 1060:104(d)
- The nature and extent of any significant restrictions (for example resulting from borrowing arrangements or regulatory requirements) on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans.

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 2016/785.6(v)

The disclosures below are required in consolidated financial statements of the 'holding entity' which include entities which are not members of the 'closed group' or which are not parties to the deed of cross guarantee (for the purposes of the Corporations Instrument).

For instance, these disclosures would be required where the holding entity for the purposes of the Corporations Instrument has subsidiaries that are not parties to the deed of cross guarantee (as is the case in these illustrative disclosures).

ASIC-CI 2016/785:6(v)

The consolidated income statement and consolidated statement of financial position of the entities which are parties to the deed of cross guarantee are:

	30/06/2025 $'000	30/06/2024 $'000
Statement of comprehensive income		
Revenue		
Cost of sales		
Gross profit		
Investment income		
Other gains and losses		
Distribution expenses		
Marketing expenses		
Occupancy expenses		
Administration expenses		
Other expenses		
Net finance costs		
Share of profits of associates and joint ventures		
Profit before tax		
Income tax expense		
Profit for the year from continuing operations		
Profit for the year from discontinued operations		
Profit for the year		

Source

41. Subsidiaries (continued)

	30/06/2025 $'000	30/06/2024 $'000
Other comprehensive Income		
Items that will not be reclassified subsequently to profit or loss:		
- Gain on revaluation of property		
- Remeasurement of defined benefit obligation		
- Share of other comprehensive income of associates		
- Fair value gain/(loss) on investments in equity instruments designated at fair value through other comprehensive income		
- Fair value gain/(loss) on financial liabilities designated at fair value through profit or loss, attributable to changes in credit risk		
- Other [describe]		
Items that may be reclassified subsequently to profit or loss:		
- Exchange differences on translating foreign operations		
- Net fair value gain/(loss) on investments in debt instruments measured at fair value through other comprehensive income		
- Net fair value gain on hedging instruments entered into for cash flow hedges		
- Share of other comprehensive income of associates		
- Other *[describe]*		
Arising from investments accounted for by the equity method[29]:		
- Share of other comprehensive income of associates		
- Share of other comprehensive income of joint ventures		
Other comprehensive income for the year		
Total comprehensive Income for the year		

	30/06/2025 $'000	30/06/2024 $'000
Statement of financial position		
Current assets		
Cash and cash equivalents		
Trade and other receivables		
Finance lease receivables		
Other financial assets		
Inventories		
Current tax assets		
Other assets		
Total current assets		

[29] AASB 1060:52(h) does not explicitly require that the share of other comprehensive income of associates and joint ventures accounted for by the equity method to be split between amounts that will not be reclassified subsequently to profit and loss and that will be reclassified subsequently to profit and loss when specific conditions arise (as is required by AASB 1060:52(g)). Entities may wish to provide additional information to provide this split if considered necessary.

Source

41. Subsidiaries (continued)

	30/06/2025 $'000	30/06/2024 $'000
Non-current assets		
Finance lease receivables		
Other financial assets		
Investments in associates		
Investments in joint ventures		
Investments in subsidiaries		
Property, plant and equipment		
Investment property		
Right-of-use assets		
Biological assets		
Goodwill		
Other intangible assets		
Other assets		
Total non-current assets		
Total assets		
Current liabilities		
Trade and other payables		
Lease liabilities		
Other borrowings		
Other financial liabilities		
Provisions		
Deferred government grants		
Current tax liabilities		
Other liabilities		
Total current liabilities		
Non-current liabilities		
Lease liabilities		
Borrowings		
Other financial liabilities		
Provisions		
Deferred tax liabilities		
Deferred government grants		
Other liabilities		
Total non-current liabilities		
Total liabilities		
Net assets		
Equity		
Share capital		
Reserves		
Retained earnings		
Total equity		

Source

41. Subsidiaries (continued)

	30/06/2025 $'000	30/06/2024 $'000
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		

Requirements for additional consolidation information

ASIC-CI 2016/785:6(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 2016/785:4

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.

Note: The information disclosed in this illustrative note conforms with the presentation requirements in AASB 1060, so that the basis of presentation of the information is consistent with the remainder of the illustrative disclosures in these model financial statements, rather than AASB 101 'Presentation of Financial Statements' which is referred to in Corporations Instrument 2016/785. However, should the Corporations Instrument remain unamended, entities should consider the disclosures in accordance with the requirements with the Corporations Instrument.

Source

42. Parent entity information

s.295(3)(a)
Reg2M.3.01

Where an entity prepares consolidated financial statements in accordance with s.295(2)(b) of the *Corporations Act 2001*, the *Corporations Regulations 2001* prescribe additional information that must be disclosed in the notes to the financial statements.

As these model financial statements includes consolidated information in accordance with AASB 1060, the parent entity disclosures are required for entities preparing financial reports under Part 2M.3 of the *Corporations Act 2001*.

Accounting policy information

AASB 1060:95

The accounting policy information of the parent entity, which has been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except as set out below. See Note *46. Accounting policies* for a summary of the material accounting information relating to the Group.

Investments in subsidiaries, associates and joint ventures

AASB 1060:105(b)

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.

Source

42. Parent entity information (continued)

Accounting policies (continued)

Tax consolidation (continued)

Where the 'stand-alone taxpayer' approach is adopted, the following accounting policy wording may be adopted:

Amounts payable or receivable under the tax-funding arrangement between the company and the entities in the tax consolidated group are determined using a 'stand-alone taxpayer' approach to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group. Transactions within the group are notionally considered a transaction with an external party in each entity and the tax is accounted in the same manner as if the transaction were with a party external to the group. The same basis is used for tax allocation within the tax-consolidated group.

Where the 'separate taxpayer within group' approach is adopted, the following accounting policy wording may be adopted:

AASB 1060:192
AASB 1060:198

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.

Where the 'group allocation' 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 '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

42. Parent entity information (continued)

Financial position

Source		30/06/2025 $'000	30/06/2024 $'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***		
Reg2M.3.01(e),(k)	***Equity***		
	Issued capital		
	Retained earnings		
	Reserves		
	- Properties revaluation		
	- Investments revaluation		
	- Contributions		
	- Cash-flow hedging		
	- Foreign currency translation		
	- Option premium on convertible notes		
	- Other *[describe]*		
	Total equity		

Financial performance

Source		Year ended 30/06/2025 $'000	30/06/2024 $'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

	30/06/2025 $'000	30/06/2024 $'000
Guarantee provided under the deed of cross guarantee (i)		

(i) Tier 2 Limited has entered into a deed of cross guarantee with two of its wholly-owned subsidiaries. Refer to Note 41 for more information, including the identities of the subsidiaries.

Source

42. Parent entity information (continued)

Reg2M.3.01(i), (k)

Contingent liabilities of the parent entity

	30/06/2025 $'000	30/06/2024 $'000
[describe]	-	-

Reg2M.3.01(j), (k)

Commitments for the acquisition of property, plant and equipment by the parent entity

	30/06/2025 $'000	30/06/2024 $'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.

43. Authorisation of the financial statements

AASB 1060:186

The financial statements were approved by the board of directors and authorised for issue on 14 October 2025.

Source

44. 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.

Source		30/06/2025 $	30/06/2024 $
AASB 1060:98	**Deloitte and related network firms***		
AASB 1060:98(a)	Audit or review of financial reports:		
	- Group		
	- Subsidiaries and joint operations		
AASB 1060:98(b), 99	Statutory assurance services required by legislation to be provided by the auditor		
AASB 1060:98(b), 99	Other assurance and agreed-upon procedures under other legislation or contractual arrangements		
AASB 1060:98(b), 99	Other services:		
AASB 1060:99	- Tax compliance services#		
AASB 1060:99	- Consulting services#		
AASB 1060:99	- *[Describe]*		
AASB 1060:98	**Other auditors and their related network firms**		
AASB 1060:98(b)	Audit or review of financial reports:		
	- Subsidiaries and joint operations		
	- Other *[describe]*		
AASB 1060:98(b), 99	Statutory assurance services required by legislation to be provided by the auditor		
AASB 1060:98(b), 99	Other assurance and agreed-upon procedures under other legislation or contractual arrangements		
AASB 1060:98(b)	Other services		
AASB 1060:99	- Tax compliance services#		
AASB 1060:99	- Consulting services#		
AASB 1060:99	- *[Describe]*		

*The auditor of Tier 2 Limited is Deloitte Touche Tohmatsu.

 # These line items are provided by way of example only. The disclosures should provide sufficient detail of the amounts paid or payable to the auditor for each non-audit service.

Source

44. Remuneration of auditors (continued)

Suggested disclosures

In November 2020, the Federal Parliamentary Joint Committee on Corporations and Financial Services released *Regulation of Auditing in Australia: Final Report* (available at parlinfo.aph.gov.au). Included in this final report is a recommendation to introduce 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 30 June 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 FS 71)
- Fees for other assurance and agreed-upon procedures under other legislation or contractual arrangements (e.g. assurance on revenue information under a royalty agreement, comfort letters or agreed-upon procedures on other reports) when there is discretion as to whether the service is provided by the auditor or another firm
- Fees for other services (e.g. tax compliance).

Additional guidance

AASB 1054:11 The nature and amount of each category of other services provided by a network firm of the auditor of a parent entity shall be disclosed in the notes to the financial statements.

Remuneration of international associates of Deloitte Touche Tohmatsu Australia are disclosed under 'Fees to Deloitte and related network firm'.

'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.

Source

45. Disclosure requirements specific to public sector entities

The following are disclosure requirements specific to public sector entities as required under AASB 1060. Entities should consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the various requirements.

Contributions

AASB 1060:215

A government department shall disclose liabilities that were assumed during the reporting period by the government or other entity.

Restructure of administrative arrangements

AASB 1060:216-218

When activities are transferred as a consequence of a restructure of administrative arrangements, a government controlled not-for-profit transferee entity shall disclose the expenses and income attributable to the transferred activities for the reporting period, showing separately those expenses and items of income recognised by the transferor during the reporting period. If disclosure of this information would be impracticable, that fact shall be disclosed, together with an explanation of why this is the case.

For each material transfer, the assets and liabilities transferred as a consequence of a restructure of administrative arrangements during the reporting period shall be disclosed by class, and the counterparty transferor/transferee entity shall be identified. With respect to transfers that are individually immaterial, the assets and liabilities transferred shall be disclosed on an aggregate basis.

Administrative items

AASB 1060:219-220

A government department shall disclose the following in its complete set of financial statements in relation to activities administered by the government department:

- Administered income, showing separately each major class of income
- Administered expenses, showing separately each major class of expense
- Administered assets, showing separately each major class of asset
- Administered liabilities, showing separately each major class of liability.

Details of the broad categories of recipients and the amounts transferred to those recipients shall be disclosed in the government department's complete set of financial statements.

Source

45. Disclosure requirements specific to public sector entities (continued)

Budgetary reporting

AASB 1060:222 Where an entity applies AASB 1055 *Budgetary Reporting* and its budgeted:

- Statement of financial position
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity, or
- Statement of cash flows

reflecting controlled items is presented to parliament and is separately identified as relating to that entity, the entity shall disclose for the reporting period:

- The original budgeted financial statement presented to parliament, presented and classified on a basis that is consistent with the presentation and classification adopted in the corresponding financial statement prepared in accordance with Australian Accounting Standards
- Explanation of major variances between the actual amounts presented in the financial statements and the corresponding original budget amounts.

AASB 1060:223 Where an entity within the General Government Sector (GGS)'s budgeted financial information reflecting major classes of administered income and expenses, or major classes of administered assets and liabilities, is presented to parliament and is separately identified as relating to that entity, the entity shall disclose for the reporting period:

- That original budgeted financial information presented to parliament, presented and classified on a basis that is consistent with the presentation and classification adopted for the corresponding information about administered items disclosed in accordance with AASB 1050 *Administered Items*
- Explanations of major variances between the actual amounts disclosed in the financial statements in accordance with AASB 1050 and the corresponding original budget amounts.

AASB 1060:224 Comparative budgetary information in respect of the previous period need not be disclosed.

AASB 1060:225 When disclosing budgetary information under paragraphs 222–224, an entity shall comply with the requirements in AASB 1055 *Budgetary Reporting*.

Non-contractual income arising from statutory requirements

AASB 1060:230 An entity shall disclose income arising from statutory requirements (such as taxes, rates and fines) recognised during the period, disaggregated into categories that reflect how the nature and amount of income (and the resultant cash flows) are affected by economic factors.

An entity shall consider disclosing information about assets and liabilities recognised at the reporting date in accordance with AASB 1058 *Income of Not-for-Profit Entities*, including the amounts of:

- Receivables that are not a financial asset as defined in AASB 132 (e.g. income tax receivable from a taxpayer)
  - Interest income recognised in relation to such receivables during the period
  - Impairment losses recognised in relation to such receivables during the period
- Financial liabilities relating to
  - prepaid taxes or rates for which the taxable event has yet to occur,
  - future period(s) to which those taxes or rates relate.

Source

45. Disclosure requirements specific to public sector entities (continued)

Non-contractual income arising from statutory requirements (continued)

AASB 1060:231

Other information that may be appropriate for an entity to disclose includes, for each class of taxation income that the entity cannot measure reliably during the period in which the taxable event occurs (see paragraphs B28–B31 of AASB 1058):

- Information about the nature of the tax
- The reason(s) why that income cannot be measured reliably

When that uncertainty might be resolved.

Compliance with parliamentary appropriations and other related authorities for expenditure

AASB 1060:239

An entity shall disclose:

- A summary of the recurrent, capital or other major categories of amounts authorised for expenditure (including parliamentary appropriations), disclosing separately:
  - The original amounts appropriated
  - The total of any supplementary amounts appropriated and amounts authorised other than by way of appropriation (e.g. by the Treasurer, other Minister or other legislative authority)
- The expenditures in respect of each of the items disclosed in (a) above

The reasons for any material variances between the amounts appropriated or otherwise authorised and the resulting associated expenditures, and any financial consequences for the entity of unauthorised expenditure.

AASB 1060:240

For the purposes of resource allocation decisions, including assessments of accountability, AASB 1058 requires that users of financial statements of government departments and other public sector entities that obtain part or all of their spending authority for the period from a parliamentary appropriation be provided with information about the amounts appropriated or otherwise authorised for the entity's use, and whether the entity's expenditures were as authorised.

This information may be based on acquittal processes applied by an entity. When spending limits imposed by parliamentary appropriation or other authorisation have not been complied with, information regarding the amount of, and reasons for, the non-compliance is relevant for assessing the performance of management, the likely consequences of non-compliance, and the ability of the entity to continue to provide services at a similar or different level in the future.

AASB 1060:241

Broad summaries of the major categories of appropriations and associated expenditures, rather than detailed reporting of appropriations for each activity or output, is sufficient for most users of such an entity's financial statements. Determining the level of detail and the structure of the summarised information is a matter of judgement. To develop effective disclosures, entities also subject to AASB 1055 might consider the variance disclosure requirements in that Standard at the same time.

Source

45. Disclosure requirements specific to public sector entities (continued)

Service concession arrangements: grantors that are public sector entities

AASB 1060:242

The objective of the disclosure requirements is for a public sector grantor to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements. To achieve this, an entity shall consider disclosing qualitative and quantitative information about its service concession arrangements, including the following:

- A description of the arrangements
- Significant terms of the arrangements that may affect the amount, timing and uncertainty of future cash flows (e.g. the period of the arrangement, re-pricing dates and the basis upon which re-pricing or renegotiation is determined)
- The nature and extent (e.g. quantity, time period, or amount, as appropriate) of:
  - Rights to receive specified services from the operator
  - The carrying amount of service concession assets as at the end of the reporting period, including separate disclosure for existing assets of the grantor reclassified as service concession assets during the reporting period
  - Rights to receive specified assets at the end of an arrangement
  - Renewal and termination options
  - Other rights and obligations (e.g. major overhaul of service concession assets)
  - Obligations to provide the operator with access to service concession assets or other revenue-generating assets
- Changes in arrangements occurring during the reporting period.

AASB 1060:243

The above disclosures provided by an entity are provided individually for each material service concession arrangement or in aggregate for service concession arrangements involving services of a similar nature, in addition to disclosures required by the sections of AASB 1060 covering Property, Plant and Equipment and Investment Property at Cost and Intangible Assets other than Goodwill. Service concession assets of a similar nature may form a subset of a class of assets disclosed in accordance with these sections or may be included in more than one class of assets disclosed in accordance with these sections.

For example, for the purposes of the section covering Property, Plant and Equipment and Investment Property at Cost, a toll bridge may be included in the same class as other bridges, and for the purposes of paragraph 242 of AASB 1060 may be included with service concession assets reported in aggregate as toll roads.

Source

46. Accounting policies

AASB 1060:95

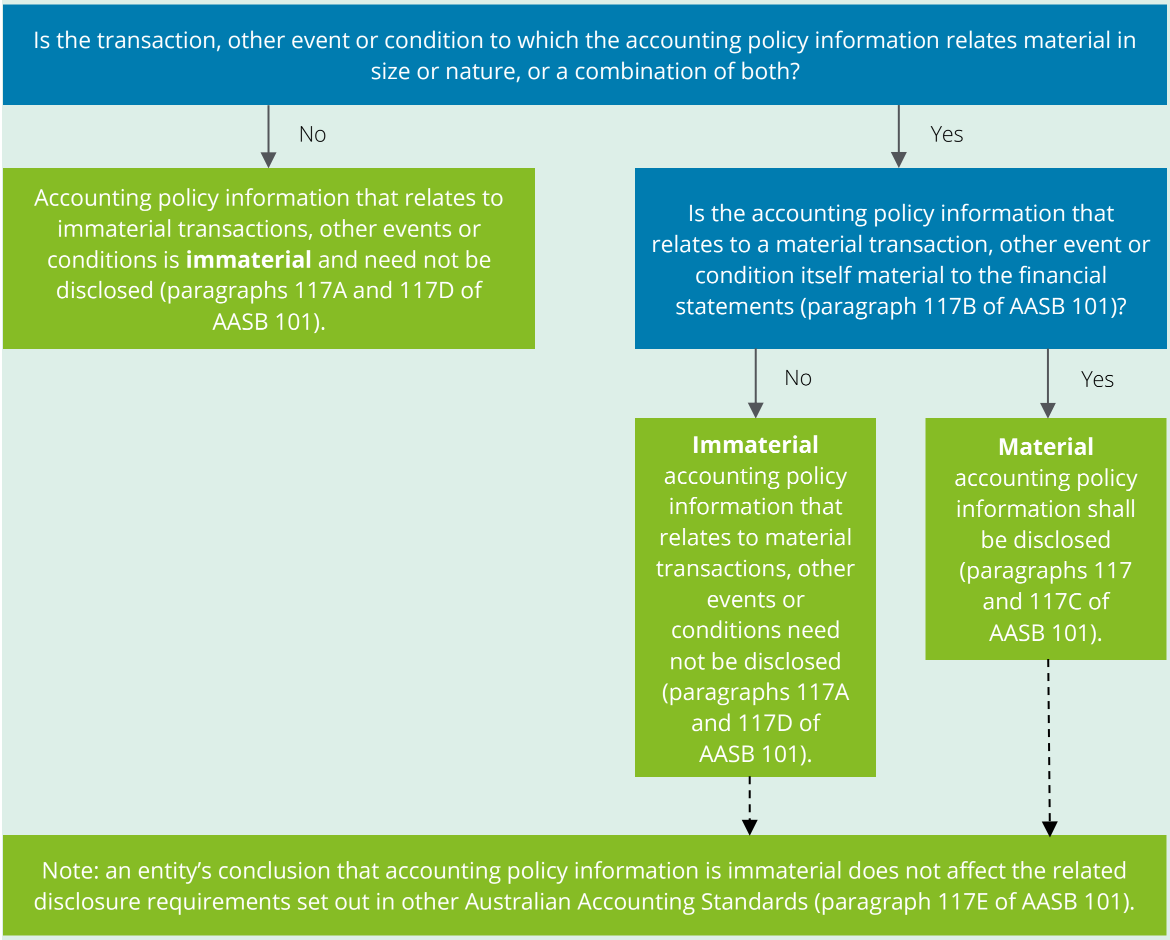
As discussed in *Accounting policy disclosure changes* on page 53 entities are required to disclose material accounting policy information (as opposed to significant accounting policies). Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Each entity considers the nature of its operations and the policies that users of its financial statements would expect to be disclosed for that type of entity.

Additional guidance

The decision tree provided in AASB Practice Statement 2 *Making Materiality Judgements* may be helpful in determining whether accounting policy information is material:

AASB PS 2:88C



Source

46. Accounting policies (continued)

AASB 101:117B

The information in this note is presented as a series of illustrative examples in various situations, and so does not cover all possibilities or situations. When developing material accounting policy disclosures, entities should focus on material, entity-specific information that users of the financial statements need to understand other material information in the financial statements.

Furthermore, material accounting policy information will often arise where an accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity has disclosed those judgements or assumptions as is required by Australian Accounting Standards. These judgements and assumptions are not fully illustrated in this note (see also *Note 3. Judgements and key sources of estimation uncertainty* on page 63).

Example accounting policy choices

AASB 101:117B(b)

The following illustrations are quoted by way of examples only, and do not necessarily represent the only treatment which may be appropriate for the item concerned and does not cover all items that should be considered for inclusion as material accounting policy information. However, as these examples represent choices available under Australian Accounting Standards, AASB 101 *Presentation of Financial Statements* notes that such choices might be expected to be material accounting policy information (if the choice relates to material balances or amounts in the financial statements).

For example, an entity may elect, in accordance with the recognition and measurement requirements of Australian Accounting Standards and the presentation and disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, to:

AASB 9:4.1.4
- Make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income

AASB 9:3.1.2
- Recognise financial assets on settlement date or on trade date

AASB 112:78
- Present exchange differences on deferred foreign tax liabilities or assets recognised in the statement of profit or loss and other comprehensive income as deferred tax expense (income)

AASB 116:30, 31
- Measure property, plant and equipment after initial recognition under either the cost basis or revaluation (fair value) basis

AASB 138:74, 75
- Measure intangible assets after initial recognition under either the cost basis or revaluation (fair value) basis, where conditions for doing so are met

AASB 140:6
- Measure investment property under either the cost model or the fair value model

AASB 120:23
- Account for government grants in the form of a non-monetary asset at a nominal amount

AASB 120:24
- Present government grants related to assets as a deduction from the carrying amount of the asset

AASB 120:27
- Deduct government grants received and recognised in the statement of profit or loss and other comprehensive income in reporting the related expense

Source	
	## 46. Accounting policies (continued)
	### Example accounting policy choices (continued)
AASB 16:5	• Not recognise lease liabilities and right-of-use assets for short-term leases and leases of low value assets.
AASB 16: Aus25.1	• Measure right-of-use assets at initial recognition, on a class-by-class basis, in accordance with AASB 16 *Leases* at cost or at fair value, for leases that have significantly below market terms and conditions principally to enable the entity to further its objectives (i.e. peppercorn/concessionary leases)
AASB 102:Aus10.2	• Recognise an item of inventory, acquired for consideration that is significantly less than fair value principally to enable the entity to further its objectives, based on an assessment of the materiality either of the individual item or of inventories at an aggregate or portfolio
AASB 1058:18-19	• Recognise volunteer services, or a class of volunteer services, if the fair value of those services can be measured reliably or elect not to recognise volunteer services (applicable to all not-for-profit entities, including local governments, government departments, general government sectors and whole of governments).
	Entities may also need to disclose the manner in which they account for:
AASB 3:2(c)	• Business combinations of entities or businesses under common control
AASB 141	• Biological assets or agricultural produce
AASB 6	• Exploration and evaluation activities.

Source

46. Accounting policies (continued)

Basis of accounting

AASB 1060:91(a)
AASB 1060:95(a)

The financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

AASB 1060:31(d)

For the purpose of the financial statements, the results and financial position of the Group are expressed in Australian dollars ('$'), which is the functional currency of the Company and the presentation currency for the financial statements.

AASB 1060:95

The material accounting policies are set out below.

Basis of consolidation

AASB 1060:104(a)

Examples where this is likely to be material accounting policy information

- There is a large group with complex interrelationships between entities
- The group has changed its ownership interest in a material subsidiary (including retaining a controlling interest or triggering a loss of control event)
- There are non-controlling interests or puts over non-controlling interests
- There are equity transactions involving entities in the group (e.g. options)
- Significant judgement was required to determine whether particular entities are controlled
- Interests in subsidiaries have been reduced so that control is lost, particularly if a retained interest is accounted for using the equity method

Tips

- Accounting policy information about consolidation would not be included in separate financial statements
- If the entity is an investment entity, information about consolidation would generally not be relevant, unless the entity has material consolidated subsidiaries whose main purpose and activities are to provide services that relate to the investment entity's investment activities

Parent entity information accounting policy

- The accounting policy applied by the parent (Tier 2 Limited) for accounting for its equity accounted investments (i.e. joint ventures and associates) in its separate accounts is disclosed in Note 42. *Parent entity information*

Example policy	***When included (if material)***
The financial statements incorporate the financial statements of all controlled entities for the period during which they are controlled. Note 2 explains the significant judgements made in the control assessment in relation to *[Tier 2 Sub No.3 Limited].*	*Consolidated financial statements are prepared, particularly if significant judgements arose in determining subsidiaries*
Non-controlling interests arising on the acquisition *of [Tier 2 Sub No.5 Pty Limited]* during the year have been measured at *[the present ownership interests' proportionate share in the recognised amounts arising from the business combination in which [Tier 2 Sub No.5 Pty Limited] was acquired / fair value].*	*Non-controlling interests arose in a business combination during the current or comparative periods*

Source

46. Accounting policies (continued)

Basis of consolidation (continued)

Example policy	*When included (if material)*
The non-controlling interest arising on acquisition of *[Entity name]*, which was accounted for as an asset acquisition rather than a business combination, was initially measured at the fair value of the non-controlling interest.	*The entity formed or acquired a partly-owned entity that was accounted for as an asset acquisition*
Profit and loss and other comprehensive income components are attributed between the members of the Company and the non-controlling interest, even where this has resulted in non-controlling interests having a deficit balance.	*Non-controlling interests exist*
During the year, the Group increased its interest in *[Entity name]* from ____ % to ____ % and retained control of the entity. This transaction was accounted for as an equity transaction as an adjustment to non-controlling interests, with the difference between the amount paid for the additional interest and the adjustment to non-controlling interests being recognised directly in equity in the *[describe equity component]*.	*The entity has increased its interest in a previously controlled entity*
During the year, the Group disposed of its interest in *[Entity name]*. The difference between (i) the aggregate of the fair value of the consideration received ($ ____) and the retained interest ($ ____) and (ii) the carrying amounts of the subsidiary's net assets *[less the non-controlling interests]* has been recognised as a *[gain/loss]* in profit or loss. In addition, amounts previously recognised in other comprehensive income in relation to the subsidiary have been reclassified to profit or loss or transferred to another category of equity.	*The entity has disposed of a non-controlling interest during the period*

Revenue recognition

Examples where this is likely to be material accounting policy information

- Revenue would be a material balance for most entities and accordingly, accounting policy information would usually be expected to be material

Tips

- Accounting policy information about revenue is best presented together with other information about revenue, as illustrated in these model financial statements (see Note 4. Revenue on page 68)
- Revenue accounting policies often involve the use significant judgements and estimates. For example, judgement is needed in determining an appropriate accounting policy to measure progress toward satisfaction of a performance obligation. The judgements and estimates made in determining an accounting policy should be explained in detail with the policy
- Material accounting policy information about complex revenue arrangements should be explained in entity-specific terms.

Source

46. Accounting policies (continued)

Business combinations

Examples where this is likely to be material accounting policy information

- There have been material business combinations during the year or comparative year
- Material contingent consideration arrangements are in place in respect of past business combinations
- There have been business combinations involving entities under common control

Tips

- Policy information about business combinations would only be material accounting policy information in separate financial statements where a direct acquisition of net assets has occurred
- Specific disclosures may be needed if:
    - Business combinations are achieved in stages
    - Business combinations are incomplete by the end of the reporting period in which the combination occurs
    - The optional 'concentration test' was applied in accounting for the business combination
    - Business combinations are combinations under common control.

Example policy	***When included (if material)***
During the year, the Group acquired *[Tier 2 Sub No.5 Pty Limited]* and *[Tier 2 Sub No.6 Limited]*. These acquisitions were business combinations that were accounted for using the acquisition method. This method involves measuring, with limited exceptions, the consideration transferred *[(including contingent consideration)]*, *[previously held interests,]* identifiable assets acquired and liabilities assumed at their fair values at the acquisition date. Acquisition related costs are recognised in profit or loss as incurred. *[The fair value adjustment related to previously held interests in [Entity name'] are recognised in profit and loss.]*	*A business combination has occurred during the current or comparative periods*
Goodwill arose from the business combinations, measured as the excess of *[the aggregate]* consideration transferred, *[non-controlling interests in the acquired entities]*, *[the fair value of previously held interests in the acquired entities]* over the acquisition date net assets of the acquired entity.	*Goodwill arose in current or comparative period business combinations*
In relation to the acquisition of *[Entity name]*, the *[aggregate of]* consideration transferred, *[non-controlling interests in the acquired entities]*, *[the fair value of previously held interests in the acquired entities]* was less than the acquisition date net assets of the acquired entity. This excess was recognised in profit or loss as part of accounting for the business combination.	*A bargain purchase arose in the current or comparative period business combination*

Source

46. Accounting policies (continued)

Business combinations (continued)

Example policy	*When included (if material)*
Contingent consideration arising from a business combination is initially measured and subsequently measured at fair value with changes recognised in profit and loss. *[However, in relation to the acquisition of [Entity name], contingent consideration has been classified as equity and is not subsequently remeasured.]*	*Contingent consideration arrangements are in place in relation to past business combinations*

AASB 3:AusCF11

In respect of AusCF entities, to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the *Framework for the Preparation and Presentation of Financial Statements* (as identified in AASB 1048 *Interpretation of Standards* AusCF1) *at the acquisition date*.

AASB 3:21B

The *Conceptual Framework for Financial Reporting* defines a liability as 'a present obligation of the entity to transfer an economic resource as a result of past events'. For a provision or contingent liability that would be within the scope of AASB 137, the acquirer shall apply paragraphs 15–22 of AASB 137 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of Interpretation 21, the acquirer shall apply Interpretation 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

AASB 3:AusCF21B

Notwithstanding paragraph 21B, in respect of AusCF entities, the *Framework for the Preparation and Presentation of Financial Statements* (as identified in AASB 1048 Interpretation of Standards) defines a liability as 'a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits'. For a provision or contingent liability that would be within the scope of AASB 137, the acquirer shall apply paragraphs 15–22 of AASB 137 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of Interpretation 21, the acquirer shall apply Interpretation 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Source

46. Accounting policies (continued)

Equity method

AASB 1060:125(a)
AASB 1060:129(a)

Examples where this is likely to be material accounting policy information

- There are material equity method investments in the current year and/or comparative year
- There have been acquisitions of equity method investments during the year or comparative year
- An ownership interest in an equity method investment is reduced but the entity continues to use the equity method
- An equity accounted investment ceases to be an equity accounted for investment

Tips

- If the investment qualifies for exemption from equity method in accordance with AASB 128:16 update the wording below accordingly

Parent entity information accounting policy

The accounting policy applied by the parent (Tier 2 Limited) for accounting for its equity accounted investments (i.e. joint ventures and associates) in its separate financial statements is disclosed in *Note 42. Parent entity information*.

Example policy	***When included (if material)***
The Group accounts for its investments in *[associates / joint ventures]* using the equity method.	*The entity has investments in associates and/or joint ventures that are accounted for using the equity method*

Source

46. Accounting policies (continued)

Equity method (continued)

Example policy	***When included (if material)***
The Group accounts for its investment in *[associate/joint venture] [Entity name],* at fair value through profit or loss.	*The entity has investments in associates and/or joint ventures that are accounted for at fair value through profit or loss in accordance with AASB 128 paragraphs 18 and 19*
During the year, the Group acquired *[Entity name].* This is an acquisition of *[an associate / a joint venture]* accounted for using the equity method. This method involves initially recognising the investment at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the *[associate / joint venture]*.	*Acquisition of an equity accounted for investment occurred during the current or comparative periods*
[When the Group's share of losses exceeds the Group's interest in that [associate / joint venture] (which includes any long-term interests that, in substance, form part of the Group's net investment in the [associate / 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/ joint venture]].	*The group's share of losses exceeds the carrying amount of the investment*
The Group reduced its ownership interest in *[associate / joint venture] [Entity name]* during the year. The Group continues to use the equity method. The Group reclassified 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.* **Reclassified to profit or loss if the gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.*	*A reduction in an ownership interest of an equity accounted investment occurred during the current or comparative periods*
The Group discontinued the use of the equity method from *[date]* for *[associate / joint venture] [Entity name]* when it ceased to be *[an associate /a joint venture]*. On this date the Group measured the retained interest at fair value which is regarded as its fair value on initial recognition in accordance with AASB 9 *Financial Instruments*.	*An equity accounted investment is classified as held for sale investment during the current or comparative periods or ceases to be an equity accounted investment during the current or comparative periods and an interest in the former equity accounted investment was retained.*

Source

46. Accounting policies (continued)

Interests in joint operations

Examples where this is likely to be material accounting policy information

- There have been acquisitions of joint operations during the year or comparative year
- Material sales or contributions of assets are made to a joint operation
- The entity purchases material amounts of assets from a joint operation.

Source	Example policy	When included (if material)
	During the year, the Group acquired *[Entity name]*. This is an acquisition of a joint operation which the Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Australian Accounting Standards applicable to the particular assets, liabilities, revenues and expenses.	*An acquisition of a joint operation occurred during the current or comparative periods*
AASB 11:B34	*[Entity name in the group] [describe the nature of the transaction/s between the group entity and its joint operation such as the sale or contribution of assets]* to *[it's joint operation / joint operation name]* in which *[entity name in the group]* is a joint operator. The gains and losses resulting from these transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.	*Transactions (such as the as the sale or contribution of assets) occurred between an entity in the group and its joint operation(s)*
AASB 11:B36	*[Entity name in the group] [describe the nature of the transaction/s between the group entity and its joint operation such as purchases assets]* from *[it's joint operation / joint operation name]* in which *[entity name in the group]* is a joint operator. The Group *[does not recognise its share of the gains and losses from these transactions until it resells those assets to a third party / explain policy]*.	*Transactions (such as the purchase of assets) occurred between an entity in the group and its joint operation(s)*

Leases

Examples where this is likely to be material accounting policy information

- The entity's right-of-use assets are material
- The majority of a material fixed assets balance represents leased assets
- There is a significant change in level of leased assets
- Material sale and leasebacks have occurred
- The entity is an intermediate entity in sublease transactions

Tips

- Lease accounting requires significant judgements and assumptions to be made. However, it does not necessarily mean that the accounting policy is material. Entities would need to consider separately whether they should include accounting policy disclosures for their activities as lessee and lessor
- In addition, many entities exercise significant judgement in relation to the approach to the inclusion or exclusion of renewal operations when determining lease terms. Entities may wish to include entity-specific policy information where it is considered material accounting policy information. In some cases, this may form part of the disclosure of judgements and key sources of estimation uncertainty (see Note 3).

Source

46. Accounting policies (continued)

Leases (continued)

The Group as lessee

Example policy	When included (if material)
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. For these leases, the Group recognises the lease payments as an operating expense on a [straight-line basis over the term of the lease / describe another systematic basis if it is more representative of the time pattern in which economic benefits from the leased assets are consumed].*	*The Group is a lessee (include the policy choice election and related discussion on short-term and low value leases only where these leases are in place and are material)*
The Group has elected to apply the revaluation model to right-of-use assets relating to *[class of property, plant and equipment to which the Group applies the revaluation model in AASB 116 'Property, Plant and Equipment'].*	*The entity has elected to apply the revaluation model in AASB 116 to all right-of-use assets that relate to a class (or classes) of property, plant and equipment*
The Group has applied an available practical expedient, *[to leases for __ class of underlying asset]*, to not separate lease and non-lease components and treat them as a single lease component. These arrangements comprise approximately ___ % of the Group's lease arrangements (by value).	*The practical expedient in AASB 16 has been applied and has a material impact on amounts recognised*
During the year, the group remeasured the lease liability (with adjustments to the related right-of-use asset) to reflect *[changes to lease terms of individual lease / changes in indexes and rates / modifications to leases that were not accounted for as separate leases].*	*Changes in lease terms, changes in payments or modifications have occurred and have materially increased or decreased the lease liability*

The Group as lessor

Example policy	When included (if material)
The Group is a lessor under lease agreements involving its *[investment properties and/or certain equipment provided to retailers]*. These leases are classified as *[operating or finance leases respectively].*	*The Group is a lessor*
In addition, the Group is an intermediate sub-lessor in respect of *[describe asset, e.g. certain investment properties]*. This lease has been classified as a *[finance lease as the lease terms of the sublease are such that the Group transfers to the lessee substantially all the risks and rewards of the head leased right-of-use asset* (e.g. terms of head lease and sublease are identical) *Or* *operating lease as the terms of the sublease are such that the Group retains substantially all the risks and rewards of the head leased right-of-use asset].*	*The group is the intermediate lessor in a sublease arrangement*

Source

46. Accounting policies (continued)

Leases (continued)

Sale and leaseback transactions

Example policy	When included (if material)
During the year, the Group legally sold *[Asset X]* to a third party, and simultaneously entered into a lease over the asset for ___ years. The Group as the seller/lessee assessed that control of the underlying asset passed to the customer (buyer/lessor) and therefore the transaction was a sale and recognised a *[gain/loss]* only on those rights transferred to buyer-lessor. *[The lease arrangement contains variable lease payments which have been taken into account in the lease payment and revised leased payments when determining the amount of the [gain/loss] recognised.]*	*Sale and leaseback transactions have occurred*

Leases at significantly below-market terms and conditions (concessionary leases) *(not-for-profit entities and public sector entities)*

For 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.

AASB 1060:112

Financial instruments

Examples where this is likely to be material accounting policy information

- There is a change in policy during the period
- The entity entered into material financial instrument transactions during the year or comparative year, or has material financial instruments on the statement of financial position
- The entity has elected to classify equity instruments at fair value through other comprehensive income
- The entity has derivative financial instruments, hedging arrangements, compound financial instruments, embedded derivatives or debt instruments measured at fair value through other comprehensive income

Tips

- Information about the measurement basis (or bases) for financial instruments used in preparing the financial statements is expected to be material accounting policy information (AASB 1060:112).

Source

AASB 1060:112

46. Accounting policies (continued)

Financial instruments (continued)

Example policy	***When included (if material)***
Financial assets and financial liabilities are initially measured at fair value, except for trade receivables which are initially measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities *[(other than financial assets and financial liabilities at fair value through profit or loss)]* are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. *[Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.]*	*Most entities would require this accounting policy, but it should be edited to exclude items that are not applicable*

Financial assets

Example policy	***When included (if material)***
All regular way purchases or sales of financial assets are recognised and derecognised on a *[trade date basis / settlement date basis].*	*For financial assets where relevant (for instance, this disclosure would not be required for trade receivables)*
The majority of the Group's debt instruments are subsequently measured at amortised cost.	*Debt instruments meet the requirements to be classified at amortised cost in AASB 9:4.1.2*
However, certain debt instruments are subsequently measured at fair value through other comprehensive income (FVTOCI) where they are held as part of the Group's business model to both collect contractual cash flows and sell financial assets, and the debt instruments represent cash flows that are solely payments of principal and interest on the principal amount outstanding.	*Debt instruments are measured at FVTOCI in accordance with AASB 9:4.1.2A.*
Other financial assets are subsequently measured at fair value through profit or loss (FVTPL) *[with the exception of the Group's interest in certain equity instruments for which gains/losses arising from movements in fair value are recognised in other comprehensive income and dividends are recognised in profit or loss] [and] [the Group's investment in redeemable preference shares which are measured at fair value through other comprehensive income (FVTOCI) (see below)].*	*Other instruments are in place*
[The redeemable cumulative preference shares] held by the Group are classified as FVTOCI. The instruments are initially measured at fair value plus transaction costs and subsequent changes in fair value are recognised in profit and loss to the extent they would have arisen if the redeemable cumulative preference shares were measured at amortised cost. All other movements are recognised in other comprehensive income in the *[investments revaluation reserve / name other reserve]* and will be reclassified to profit and loss when the instruments are derecognised.	*The entity has debt instruments at FVTOCI*

Source

46. Accounting policies (continued)

AASB 1060:112

Financial instruments (continued)

Impairment of financial assets

Although some of the disclosures below are derived from disclosure requirements under AASB 7 *Financial Instruments: Disclosures*, they may represent material accounting policy information in Tier 2 financial reports depending on the entity's circumstances.

Example policy	*When included (if material)*
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.	*Most entities would include this policy. More detail may be required (such as the examples in the paragraphs that follow)*

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.

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.

Source

AASB 1060:112

46. Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

Example policy	*When included (if material)*
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: • When there is a breach of financial covenants by the debtor; or • 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. 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 • 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, or • The disappearance of an active market for that financial asset because of financial difficulties. 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. The measurement of expected credit losses is a function of the probability of default, loss given 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	

Source

AASB 1060:112

46. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity

Example policy	***When included (if material)***
Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.	*Equity instruments have been issued during the current or comparative periods*
Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments	*Equity instrument have been repurchased during the current or comparative periods*
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. The financial liability component is measured on an amortised cost basis using the effective interest rate method. The conversion option is classified as equity and is not remeasured. The conversion option remains in equity until the conversion option is exercised, in which case the balance recognised in equity will be transferred to *[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]]*.	*Convertible notes are on issue*
[The majority of] financial liabilities are measured subsequently at amortised cost using the effective interest rate method. *[However, financial liabilities are classified as at FVTPL when the financial liability is [contingent consideration of an acquirer in a business combination / held for trading / designated as at FVTPL]. Such financial liabilities are subsequently measured at fair value with gains or losses recognised in profit or loss [except, in the case of financial liabilities designated at FVTPL, the change in fair value attributable to changes in credit risk of the liability is recognised in other comprehensive income]]*.	*Most entities would include this policy*
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 AASB 9 (see financial assets above) • The amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies	*Financial guarantee contract liabilities are in place*

Source

AASB 1060:112

46. Accounting policies (continued)

Financial instruments (continued)

Derivative financial instruments

Example policy	When included (if material)
The Group enters into a variety of derivative financial instruments to manage its exposure to *[interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and cross currency swaps]*. Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. 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]*.	*Derivative financial instruments are in place*

Embedded derivatives

Embedded in the Group's borrowings from [Bank] is a call option allowing the Group to call the borrowings at any time, but would have to redeem the borrowings at a fixed amount of $ ___. The call option] is an embedded derivative which is treated as separate derivative as it meets the definition of a derivative, its risks and characteristics are not closely related to the *[borrowings]* and the *[borrowings]* are not measured at FVTPL.	*Embedded derivatives are in place*

Hedge accounting

Example policy	When included (if material)
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. 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]*.	*The entity applies hedge accounting*

Source

46. Accounting policies (continued)

AASB 1060:112

Financial instruments (continued)

Hedge accounting (continued)

Fair value hedges

Example policy	***When included (if material)***
The fair value change on qualifying hedging instruments is recognised in profit or loss *[except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognised in other comprehensive income]*. The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. *[For debt instruments measured at FVTOCI, the carrying amount is not adjusted as it is already at fair value, but the hedging gain or loss is recognised in profit or loss instead of other comprehensive income.] [When the hedged item is an equity instrument designated at FVTOCI, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument.]* Where hedging gains or losses are recognised in profit or loss, they are recognised *[in the same line as the hedged item]*.	*Fair value hedges are in place*
Cash flow hedges	
The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'other gains and losses' line item. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.	*Cash flow hedges are in place*

Source

AASB 1060:112

46. Accounting policies (continued)

Financial instruments (continued)

Hedge accounting (continued)

Hedges of net investment in foreign operations

Example policy	*When included (if material)*
Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of a hedge of a net investment is recognised in other comprehensive income and accumulated under the heading of *[foreign currency translation reserve / name other 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 in profit or loss. Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.	*Hedges of net investments are in place*

Non-current assets held for sale

Examples where this is likely to be material accounting policy information

- The entity has material non-current assets held for sale.

Example policy	*When included (if material)*
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.	*The entity has assets classified as held for sale*

Source

46. Accounting policies (continued)

Foreign currencies and operations

Examples where this is likely to be material accounting policy information

- The entity has material foreign currency transactions or foreign operations
- The entity has disposed of a foreign operation during the current or comparative periods.

Example policy	*When included (if material)*
In preparing the financial statements, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions *[(using monthly exchange rate averages / state other policy)]*. At the end of each reporting period, monetary items 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 retranslated 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.	*Material foreign currency transactions or balances exist*
Exchange differences on monetary items are generally recognised in profit or loss in the period in which they arise. *[Where material foreign currency gains or losses are recognised outside of profit or loss, provide details, e.g. in relation to capitalisation of borrowing costs into qualifying assets, hedging foreign currency risks or related to a net investment in foreign operation.]*	
Net exchange differences arising on the translation of foreign operations into the presentation currency of the Group are recognised in other comprehensive income. Exchange differences relating to a disposed foreign operation are reclassified to profit or loss on disposal.	*The entity has foreign operations*

Source

46. Accounting policies (continued)

Borrowing costs

Examples where this is likely to be material accounting policy information

- Material borrowing costs have been capitalised into qualifying assets

Tips

AASB 123:Aus8.1

- Not-for-profit public sector entities have an accounting policy choice on whether to capitalise borrowing costs into qualifying assets, and these entities should include information about their chosen accounting policy, as it is likely to be material accounting policy information.

Source	Example policy	*When included (if material)*
	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.	*Borrowing costs have been capitalised into qualifying assets*
AASB 1060:163	The entity, as a not-for-profit public sector entity, has elected under AASB 123 *Borrowing Costs,* not to capitalise borrowing costs into qualifying assets.	*The entity is a not-for-profit entity that has chosen not to capitalise borrowing costs into qualifying assets. (Where the election is to capitalise, the policy should instead be based on the wording above)*

AASB 1060:160(d)

Government grants

Examples where this is likely to be material accounting policy information

- The entity has received a material level of government grants during the current or comparative periods
- The entity has received government grants related to assets in the past and a material level of unamortised grant remains in the statement of financial position

Tips

- Given the choice available in how government grants related to assets are presented, entities with material levels of such grants should include accounting policy information about their choice of presentation
- Where the entity receives government support in the form of investment tax credits (e.g. the Australian research and development regime), the entity may have an accounting policy choice in whether to treat such credits as a government grant or an income tax. In this case, the entity should explain the accounting policy used to account for such credits.

Source

AASB 1060:160(d)

46. Accounting policies (continued)

Government grants (continued)

Example policy	When included (if material)
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 are recognised as *[deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets / as a reduction in the carrying amount of the related asset, which is then recognised as a reduced depreciation expense]*.	*The entity has received government grants related to an asset*

Retirement and termination benefits costs

Examples where this is likely to be material accounting policy information

- The entity participates in defined benefit retirement benefit plans
- The entity has provided material termination benefits in the current or comparative periods.

Example policy	When included (if material)
For defined benefit retirement benefit 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. The retirement benefit obligation recognised in the consolidated statement of financial position represents the deficit or surplus in the Group's defined benefit plans.	*The entity participates in defined benefit retirement benefit plans*
[The Trust Deed for [XYZ plan] provides Tier 2 Limited with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind-up. Furthermore, in the ordinary course of business the Trustee has no rights to unilaterally wind up, or otherwise augment the benefits due to members of, the plan. Based on these rights, any net surplus in the plan is recognised in full.]	*The entity has an entitlement to refunds from the plan for any surplus*
During 2025, the Group offered voluntary redundancies to employees in the *[XYZ division]*. A liability for the termination benefits was recognised *[when the Group could no longer withdraw the offer / when the Group recognised the related restructure costs]*.	*The entity has provided termination benefits during the current or comparative periods*

Source

46. Accounting policies (continued)

Short-term and long-term employee benefits

Examples where this is likely to be material accounting policy information

- The entity has material non-standard employee benefits (e.g. sabbatical leave, additional leave arrangements, maternity leave arrangements in addition to legal requirements)

Tips

- In the majority of cases, accounting policy information about short-term and long-term employee benefits is unlikely to be material
- However, where material non-standard employee benefits are in place, information about those arrangements and how they are accounted for may be useful to users.

Taxation

Examples where this is likely to be material accounting policy information

- The entity is subject to, or expected to be subject to, Pillar Two income taxes
- There are uncertain tax positions
- There has been a change in tax status of the entity or its operations
- A tax-consolidated group or multiple entry consolidated group has been formed
- The entity expects to dispose of operations in a tax-consolidated group and has formed a policy on how to account for 'outside basis differences' in relation to those operations
- A new tax has been substantively enacted and will apply to the entity
- Material investment properties exist
- Material amounts of current and deferred tax are recognised outside of profit or loss

Tips

- An entity that is subject to, or expected to be subject to, Pillar Two income taxes should note that the mandatory exception from the recognition and disclosure of deferred taxes arising from Pillar Two taxes has been applied.

Example policy	***When included (if material)***
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.	*The Group has uncertain tax positions*
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. However, deferred taxes arising from OECD Pillar Two taxes have not been recognised.	*Deferred tax balances exist*

Source

46. Accounting policies (continued)

Taxation (continued)

Example policy	***When included (if material)***
The Group has recognised a net deferred tax asset in respect of its Australian operations of $ ___ (2024: $ ___). This balance comprises the tax effect of tax losses, deductible temporary differences arising in respect of Australian assets and liabilities, net of taxable temporary differences. The directors have assessed the net deferred tax asset amount recognised *[based on taxable profit forecasts based on the Group's budget for the next financial year and forecasts for the following four years, which have been approved by the directors. The directors believe this is the longest period that accurate forecasts of taxable profits can be made due to the cyclical nature of the Group's businesses.]*	*Net deferred tax assets have been recognised and significant judgement was required in determining the amount of such assets recognised*
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 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 is not rebutted and deferred taxes related to the Group's investment properties reflect the expected tax consequences of selling the investment properties.	*The entity has investment properties*
During the year, the Group formed a tax-consolidated group. The head company in the tax-consolidated group is Tier 2 Limited. As a result of the formation of the tax-consolidated group, the tax bases of the other entities in the tax-consolidated group were 'reset' in accordance with tax law. As a result, the deferred taxes associated with the Group's assets and liabilities were remeasured and a *[gain]* recognised in income tax expense *[other comprehensive income or directly in equity as appropriate].*	*The Group has formed a tax-consolidated group during the period. This wording can also be adapted where an entity joins a tax-consolidated group*

Source

46. Accounting policies (continued)

Goods and services tax

Examples where this is likely to be material accounting policy information

- There are material GST amounts receivable or payable.

Source	Example policy	When included (if material)
	Amounts in the financial statements are generally recognised net of the amount of goods and services tax (GST), except where GST incurred is not recoverable from the taxation authority. However, receivables and payables are recognised and cash flows including in the statement of cash flows are recognised on a gross basis (i.e. inclusive of GST).	*There are material GST amounts receivable or payable*

Property, plant and equipment

Examples where this is likely to be material accounting policy information

- Material property, plant and equipment exists

Tips

- Entities have a choice in whether to subsequently measure property, plant and equipment under the cost model or the revaluation model. As this is an accounting policy choice, this is likely to be material accounting policy information. However, this accounting policy choice can be communicated in the description of property, plant and equipment in the relevant note, rather than necessarily being subject to the presentation of a separate accounting policy
- Entities also need to disclose information in relation to property, plant and equipment required by AASB 1060 where it is considered material, e.g. useful lives or depreciation rates. This information is sometimes included in accounting policy notes.

Source	Example policy	When included (if material)
AASB 1060:134(a)	Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluation increments and decrements are generally recognised in other comprehensive income.	*The revaluation model is elected under AASB 116*
	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.	*Capital work in progress exists*
	Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.	*The cost model under is elected under AASB 116*
AASB 1060:134(b)	Depreciation Is recognised using *[the straight-line method / reducing balance method / describe]*	*Material property, plant and equipment balances exist"*

Source

46. Accounting policies (continued)

Investment property

Examples where this is likely to be material accounting policy information

- Material investment properties are held
- The fair value of certain investment properties cannot be reliability measured
- Material transfers to or from property, plant and equipment have occurred on a change in use of property

Tips

- Entities have a choice in whether to subsequently measure investment properties under the fair value model or cost model. As this is an accounting policy choice, this is likely to be material accounting policy information. However, this accounting policy choice can be communicated in the description of investment property in the relevant note, rather than necessarily being subject to the presentation of a separate accounting policy.

Example policy	***When included (if material)***
Investment property (including property under construction) is measured initially at cost, including transaction costs and is subsequently measured at fair value. Gains or loss arising from changes in fair value are recognised in profit or loss.	*Investment property exists*
[However, in respect of [describe the property, e.g. a property under construction], the directors have determined that the fair value of the property cannot be reliably measured [on a continuing basis – provide reasons / until construction is complete or near complete and a reliable measure of fair value can be determined]	*The entity has investment property for which the fair value cannot be reliably measured*

Land under roads

AASB 1060:221

An entity which applied AASB 1051 *Land Under Roads* shall disclose material accounting policy information for land under roads acquired before the end of the first reporting period ending on or after 31 December 2007, in each reporting period to which AASB 1051 is applied.

Intangible assets

Examples where this is likely to be material accounting policy information

- The entity has material intangible assets
- The entity undertakes research and development activities

Tips

- Entities also need to disclose information in relation to intangible asset required by AASB 1060 where it is considered material, e.g. amortisation rates. This information is sometimes included in accounting policy notes.

Source

46. Accounting policies (continued)

Intangible assets (continued)

Example policy	***When included (if material)***
[Capitalised development, patents and licences] have finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. *[The cost of intangible assets acquired in a business combination is the fair value of the intangible asset at the acquisition date.]* Amortisation is recognised on *[a straight-line basis / describe basis]* over their estimated useful lives.	*Intangibles with finite lives exist*
[[Describe the intangible asset(s)] have been assessed as having indefinite useful lives and are not amortised. This assessment was made on the basis that [describe reasons for concluding the intangible assets have indefinite useful lives]	*Intangibles with indefinite useful lives exist*
[[Capitalised development] arises from the development phase of internal research and development activities and expenditure is capitalised only if it meets criteria including demonstrated technical feasibility and the availability of adequate technical, financial and other resources to complete the development and use the or sell the intangible asset. Other research and development expenditure is recognised in profit or loss.]	*The entity undertakes research and development activities*

Impairment of non-financial assets (including goodwill)

Examples where this is likely to be material accounting policy information

- The entity has material goodwill and/or intangible assets with indefinite useful lives or which are not yet available for use
- There have been indicators of impairment or reversals of impairment during the period
- An impairment loss, or reversal of an impairment loss, has been recognised during the period
- A business combination during the year has resulted in a material addition to goodwill
- There is a disposal of a cash-generating unit to which goodwill has been allocated
- Restructures have occurred and goodwill has been reallocated to the cash generating units affected

Tips

- The amount of mandatory information required by AASB 1060 in relation to impairment is substantially less than required in Tier 1 financial statements. Accordingly, when developing material accounting policy information disclosures, entities complying with Australian Accounting Standards – Simplified Disclosures may wish to consider the disclosure requirements of AASB 136 *Impairment of Assets* when determining matters to include in accounting policy disclosures. The examples below illustrate this approach
- When providing accounting policy information about impairment, an entity should consider the connectivity of information, particularly in relation to climate and other sustainability matters. For instance, if information provided in the directors' report or elsewhere discusses emission reduction targets, the accounting policy information could explain how those targets have impacted the assumptions, cash flows and other information used in testing for impairment.

Source

46. Accounting policies (continued)

Impairment of non-financial assets (including goodwill) (continued)

Example policy	***When included (if material)***
During the year, the Group carried out a review of the recoverable amount of its *[describe, e.g. manufacturing plant and the related equipment]*. The operation was tested for impairment because *[the performance of the operations in the cash generating unit have been worse than expected / describe the impairment indicator(s)]*. The review led to the recognition of an impairment loss of $ ___ , which has been recognised in profit or loss. The recoverable amount was determined based on the value in use which was calculated using the discounted cash flow projections based on five-year period budget approved by the directors which were further extrapolated for the remaining useful life of the CGU. The Group also estimated the fair value less costs of disposal of the *[describe the business]*, 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 $ ___ , which is their carrying value at year end. The discount rate used in measuring value in use was ___ %[30]. No impairment assessment was performed in 2024 as there was no indication of impairment.	*The entity has undertaken an impairment test on a cash-generating unit that does not contain goodwill or intangible assets with indefinite useful lives or which are not yet available for use*

[30] If the recoverable amount model is sensitive to other assumptions and there is a risk of impairment, we recommend disclosing information about those assumptions as part of estimation uncertainty disclosures (see also Note 3).

Source

46. Accounting policies (continued)

Impairment of non-financial assets (including goodwill) (continued)

Example policy	***When included (if material)***
Goodwill is not amortised. The Group has allocated goodwill to cash-generating units or group of cash-generating units and tests the goodwill for impairment at least annually. The Group undertook an impairment test of cash-generating units to which goodwill has been allocated, being *[describe the cash-generating unit to which goodwill has been allocated – or if more than one, the units, which case the information below could be repeated for each such unit].* The recoverable amount of the *[cash-generating unit description]* was 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 discount rate of ____ % (2024: ___ %) calculated *[describe the method used to determine the discount rate].* Key assumptions used in the calculation included *[forecast sales growth rate, operating profits and a steady growth rate]* determined by the directors based on past performance and expectations of market development. The recoverable amount exceeds the carrying amount of *[describe the cash-generating unit]* by *[a significant margin / or if the headroom is not significant, provide more analysis so that users can determine the likelihood of impairment losses in future periods]*.	*The entity has goodwill*

Inventories

Examples where this is likely to be material accounting policy information

- The entity has material inventories
- Inventories are measured at net realisable value (such as agricultural and forest products, agricultural produce after harvest, minerals and mineral products)
- The entity is a commodity broker-trader that measures inventories at fair value less costs to sell

Tips

- AASB 1060 requires an entity to identify material accounting policy information in relation to inventory, including the cost formula used (AASB 1060:123(a)). This information can be communicated in the description of inventories in the relevant note rather than necessarily being subject to the presentation of a separate accounting policy
- Not-for-profit entities are required to disclose the basis on which any loss of service potential of inventories held for distribution is assessed, or the bases when more than one basis is used (AASB 1060:124). See note *4. Revenue - Donated inventories* on page 72 for an illustrative disclosure.

Example policy	***When included (if material)***
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 / describe method].*	*Inventories exist*

Source

AASB 1060:112

46. Accounting policies (continued)

Fair value measurements

Tips

- Accounting policy information about fair value measurements based on the requirements of Australian Accounting Standards is unlikely to be material. However, information about how fair value measurements have been determined, including key assumptions and methods used is likely to be material accounting policy information. This information would be provided as part of the disclosures about fair value in the relevant notes (see for example Note 11 on page 80).

Provisions

Examples where this is likely to be material accounting policy information

- The Group has material provisions

Tips

- For each class of provision, AASB 1060:153(b) requires *a brief description of the nature of the obligation and the expected amount and timing of any resulting payments.* The example policies below include descriptions of the Group's provisions which could be disclosed in the relevant note instead.

Example policy	*When included (if material)*
The Group recognises a provision for *[list the class of provisions]* at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The Group measures its provisions using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).	*Provisions recognised in the current or comparative reporting period*
Restructurings The Group recognised a restructuring provision *[describe e.g. when the Group developed a detailed formal plan for the restructuring and had raised a valid expectation in those affected that it would carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it]*. The measurement of this 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.	*A restructuring provision has been recognised in the current or comparative reporting period*
Warranties Provisions for the expected cost of warranty obligations *[describe what creates the warranty obligation e.g. under local sale of goods legislation]* are recognised *[timing e.g. at the date of sale of the relevant products]*, at *[measurement e.g. the directors' best estimate of the expenditure required to settle the Group's obligation]*.	*A warranty provision has been recognised in the current or comparative reporting periods*

Source

46. Accounting policies (continued)

Provisions (continued)

Example policy	*When included (if material)*
Onerous contracts	
The Group has *[describe the contract/s]* under which the unavoidable costs of meeting *[describe the obligations]* under the contract exceed the economic benefits expected to be received under it. The present obligation arising under *[this/these]* onerous contract*[s]* is recognised and measured as a provision.	*An onerous contract provision has been recognised in the current or comparative reporting periods*
Restoration provisions	
The Group is required to *[nature of the restoration obligation e.g. restore leased plant assets to their original condition, as required by the terms and conditions of the lease]* and recognised/*[recognises]* a restoration provision when it incurred/*[incurs]* the obligation which is *[timing e.g. either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease]*. This restoration provision is measured at *[measurement e.g. 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]*.	*Restoration provisions has been recognised in the current or comparative reporting periods*
Contingent liabilities acquired in a business combination	
Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition. 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 AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation recognised in accordance with AASB 15 *Revenue from Contracts with Customers*.	*Contingent liabilities have been acquired in a business combination recognised in the current or comparative reporting periods*

Share-based payment

Examples where this is likely to be material accounting policy information

- Material share-based payments arrangements are in place
- The entity is a member of a broader group and employees of the entity receive share-based payment awards in a parent entity
- Share-based payment arrangements arose in connection with a business combination
- Modifications to existing share-based payment arrangements have resulted in material acceleration of the expense.

Source	Example policy	*When included (if material)*
AASB 1060:167	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 determined at the grant date of the equity-settled share-based payments excludes the effect of non-market-based vesting conditions and 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.	*The entity has equity settled share-based payments with employees and others providing similar services*

Source

46. Accounting policies (continued)

Share-based payment (continued)

Example policy	***When included (if material)***
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 Group obtains the goods or the counterparty renders the service.	*The entity enters into share-based payments with parties other than employees and others providing similar services*
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.	*Cash-settled share-based payments are in place*
As part of the acquisition of *[Entity name]*, the share-based payment awards held by the employees of an acquiree (acquiree awards) were replaced by the Company's share-based payment awards (replacement awards). *[The allocation of the value of the replacement awards between consideration for the business combination and post-combination remuneration costs was determined based on a market-based measure of the acquiree's awards and replacement awards and the original and revised vesting periods.]* *OR* *[Because the acquiree awards expired as a consequence of the business combination and the Group replaced those awards when it did not have an obligation to do so, the replacement awards were measured at their market-based measure and all of that amount was recognised as remuneration cost for post-combination service (i.e. expensed in profit or loss.]*	*Share-based payment awards have been replaced in a business combination*
[Under a share-based payment scheme in place in the broader group, [Ultimate controlling entity name] has granted share options to employees of the Group in respect of those employee's service to the Group. The Group does not have an obligation to settle the share-based payment transactions and accordingly, the Group has treated these arrangements as equity-settled share-based payment arrangements.]	*The entity's employees receive share-based payment awards from a parent.*
[Under recharge arrangements in place between the Group and [Ultimate controlling entity name], the Group is obliged to pay an amount to the parent based on the value of the share-based awards upon settlement of the award by the parent. The Group recognises this obligation on exercise of the award by the employee and treats the obligation as an equity distribution to the parent.]	*A recharge agreement exists in respect of share-based payments awards from the parent*

Source

46. Accounting policies (continued)

Factoring of receivables

When an entity enters into arrangements for factoring of receivables where they are not fully derecognised, it is important that the policy adopted for the treatment of cash flows arising is clearly explained and that any non-cash financing transactions are disclosed in accordance with AASB 1060:86. In particular, an explanation of whether the cash flows received on the receivables are treated as operating inflows with associated financing outflows that are deemed to repay the financing liability that was recognised when the receivables were transferred.

Consolidated entity disclosure statement

As at 30 June 2025

A consolidated entity disclosure statement is only required to be included in the financial report of public companies (listed and unlisted) that are reporting under Chapter 2M of the Corporations Act. As Tier 2 Limited is an unlisted public company, the statement has been included. Proprietary companies and other entities are not required to include this statement.

Below is an illustrative disclosure of a consolidated entity disclosure statement required.

		Body corporates		Tax residency	
Entity name	**Entity type**	**Place formed or incorporated**	**% of share capital held**	**Australian tax resident**	**Foreign jurisdictions**
Tier 2 Limited	Body corporate	Australia	N/A	Yes (v)	N/A
Tier 2 Sub No.1 Limited (i)	Body corporate	Australia	90%	Yes	N/A
Tier 2 Sub No.2 Pty Limited	Body corporate	Australia	100%	Yes (v)	N/A
Tier 2 Sub No.3 Limited (i)	Body corporate	Australia	45%	Yes	N/A
Tier 2 Sub No.4 Pty Limited	Body corporate	Australia	100%	Yes (v)	N/A
Tier 2 Sub No.5 Pty Limited	Body corporate	Australia	80%	Yes	N/A
Tier 2 Sub No.6 Limited (ii)	Body corporate	Australia	100%	Yes (v)	N/A
Tier 2 Sub No.7 Limited (iii) (iv)	Body corporate	Australia	90%	Yes	Canada
Tier 2 Property Trust	Trust	N/A	N/A	Yes	N/A
Tier 2 Joint Venture Limited	Body corporate	Australia	95%	Yes	N/A
Tier 2 (United Kingdom) Ltd.	Body corporate	United Kingdom	70%	No	United Kingdom The Netherlands
Tier 2 (Japan) KK	Body corporate	Japan	100%	No	Japan
Tier 2 (Canada) Inc. (iv)	Body corporate	Canada	85%	No	Canada
Tier 2 (Cayman) Inc. (vi)	Body corporate	Cayman Islands	75%	No	N/A (vi)
Tier 2 Canada Partnership	Partnership	N/A	N/A	No	Canada

Source: s.295(3A)(a)(i), (ii), (iv), (v),(vi), (vii)

Source

s.295(3A)(a)(iii)	(i)	Participant in Tier 2 Joint Venture Limited[31] which is consolidated in the consolidated financial statements
	(ii)	Trustee of Tier 2 Property Trust[31] which is consolidated in the consolidated financial statements
	(iii)	This entity has multiple tax residencies and discloses 'yes' as being an Australian tax resident as well as listing a foreign jurisdiction
	(iv)	These entities are partners in Tier 2 Canada Partnership[31] 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 Tier 2 Limited is the head entity
s.295(3A)(a)(vii)	(vi)	Cayman Islands lacks a corporate system and a foreign tax residency is not listed[32]

[31] The name of the entity is not required.

[32] 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 Tier 2 Limited and all the entities it controls in accordance with AASB 10 *Consolidated Financial Statements* as at 30 June 2025. As a result, the statement excludes entities over which the Group lost control during the year (Tier 2 Sub No.9 Limited)[33].

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 Tier 2 Limited either directly or indirectly]*[34].

s.295(3B) An entity is reported in the consolidated entity disclosure statement as being 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 have *[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 for financial years ending on 30 June 2025.

[33] Disclosure of entities deconsolidated during the period is not required, but is included here to explain differences to the subsidiaries note (see Note 41).

[34] Where the relevant interests have been footnoted in the statement itself, this statement need not be repeated in the basis of preparation.

Source

The example consolidated entity disclosure statement included on the previous pages illustrates the impact of these amendments.

ASIC guidance on the consolidated entity disclosure statement

ASIC INFO 284

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 quantitively material, including:
  - Newly acquired 'shelf' companies and dormant companies
  - Tax residency disclosures.

Source

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 example wording where s.295(3A)(b) applies:

Consolidated entity disclosure statement
as at 30 June 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 by Australian Accounting Standards.

More information about the statement

More information on the on the consolidated entity disclosure statement is provided in Clarity publication *New consolidated entity disclosure statement.*

Appendix

Overview of Simplified Disclosures

Possible changes to Tier 2 reporting requirements

In May 2024, the IASB released IFRS 19 *Subsidiaries with Public Accountability* and released the third edition of the *IFRS for SMEs Accounting Standard* in February 2025. These IASB Accounting Standards can be applied by entities without public accountability (although IFRS 19 is only permitted to be applied by certain subsidiaries).

AASB 1060 is based on the previous version of the *IFRS for SMEs Accounting Standard* and IFRS 19 was developed by the IASB in a similar process to how the AASB adapted the *IFRS for SMEs Accounting Standard* when developing AASB 1060.

In response to the IASB developments, the AASB will undertake a review to determine their potential effects on AASB 1060 and to also consider potential amendments due to new presentation requirements in AASB 18 *Presentation and Disclosure in Financial Statements*.

The AASB expects to seek views from stakeholders in the third quarter of calendar 2025. Any changes resulting from the review will need to follow due process and standard-setting. Accordingly, there are no implications of these developments on Tier 2 financial reports at 30 June 2025.

Proposed changes to not-for-profit financial reporting requirements

In October 2024, the AASB issued two exposure drafts:

- ED 334 *Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements*
- ED 335 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities.*

Together, these exposure drafts would limit the ability for many not-for-profit entities to prepare special purpose financial statements and introduce simplified 'Tier 3' general purpose financial statements for certain entities. In some cases, not-for-profit entities currently preparing special purpose financial statements may be required to, or choose to, transition to Tier 2 general purpose financial statements. Where this is the case, the proposals would introduce additional transitional provisions in AASB 1060 to simplify the transition to Tier 2.

Comments on the exposure drafts closed on 28 February 2025 and at the date of finalisation of this publication (29 April 2025) the AASB is in the process of considering constituent feedback. The AASB has also indicated that any finalised Standards would not be applicable for a period of at least three years after the date they are issued. Accordingly, there are no implications of these developments on Tier 2 financial reports at 30 June 2025.

Australian financial reporting tiers

AASB 1053 *Application of Tiers of Australian Accounting Standards* identifies two tiers of reporting requirements for preparing general purpose financial statements (AASB 1053:7):

- Tier 1: Australian Accounting Standards, which incorporate IFRS Accounting Standards issued by the IASB and include additional requirements specific to Australian entities
- Tier 2: Australian Accounting Standards – Simplified Disclosures.

Tier 2 comprises the recognition and measurement requirements of Tier 1 (including consolidation and the equity method of accounting where applicable) but substantially reduced disclosure requirements when compared to Tier 1 (AASB 1053:9). Therefore, entities will adopt the same recognition and measurement requirements whether they apply Tier 1 or Tier 2.

Similarly, the presentation requirements of Tier 1 and Tier 2 are the same, except for:

- The requirement to present a third statement of financial position, which is required in Tier 1 financial statements when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or reclassifies items in its financial statements
- The option of not presenting a statement of changes in equity in Tier 2 financial statements, whereby an entity presents a single statement of income and retained earnings in place of a statement of changes in equity provided certain conditions are met (see the illustrative example on page 38).

The disclosure requirements for Tier 2 financial statements are included in AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

Entities applying Simplified Disclosures

In broad terms, Simplified Disclosures are applied by:

- Private sector for-profit entities with a legislative requirement to prepare financial statements in accordance with Australian Accounting Standards or accounting standards, where that entity does not have public accountability and is not required by its reporting mandate to apply Tier 1 (and has not chosen to do so)
- Private sector for-profit entities with a non-legislative requirement to prepare financial statements in accordance with Australian Accounting Standards, which arises through a constituting document or other document which has been created or amended on or after 1 July 2021
- Other entities applying Simplified Disclosures, including not-for-profit entities which are required to, or choose to, apply Tier 2.

Abbreviations

Abbreviations used in this publication are as follows:

Term	Meaning
s.	Section of the *Corporations Act 2001*
Reg	Regulation of the *Corporations Regulations 2001*
AASB	Australian Accounting Standard issued by the Australian Accounting Standards Board
AASB 1060	Australian Accounting Standard AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
ACNC	Australian Charities and Not-for-profits Commission
IASB	International Accounting Standards Board (IASB®)
IFRS Accounting Standards	The Standards as issued by the International Accounting Standards Board (IASB)
Int	Interpretation issued by the Australian Accounting Standards Board
APES	Professional and Ethical Standard issued by the Accounting Professional and Ethical Standards Board
ASA	Australian Auditing Standard issued by the Auditing and Assurance Standards Board
ASIC-CO/ ASIC-CI	Australian Securities and Investments Commission Class Order/Corporations Instrument issued pursuant to s.341(1) of the *Corporations Act 2001*
ASIC-RG	Australian Securities and Investments Commission Regulatory Guide
ED	AASB Exposure Draft
GPFS	General purpose financial statements
AASB PS	Practice Statement issued by the Australian Accounting Standards Board
Simplified Disclosures	Australian Accounting Standards – Simplified Disclosures as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards*

Deloitte.